



Exhibit A

Proposed FY 2025-26 Budget

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1. Background

On February 1, 2012, the State of California dissolved the San Francisco Redevelopment Agency (“SFRA”) along with all 400 redevelopment agencies in California under Cal. Health & Safety Code §§ 34170 et seq (“Dissolution Law”). Pursuant to the Dissolution Law and to Board of Supervisors (“BOS”) Ordinance 215-12, the Successor Agency to the SFRA, commonly known as the Office of Community Investment & Infrastructure (“OCII”), has assumed the remaining obligations of the SFRA.

OCII is charged with completing work required under enforceable obligations approved by the California Department of Finance (“DOF”). Those enforceable obligations are the contracts associated with the Projects described in BOS Ordinance No. 215-12 (Oct. 4, 2012) as the Mission Bay North and South Projects, the Transbay Project, and the Hunters Point Shipyard/Candlestick Point Project, which include OCII’s Retained Affordable Housing Obligations in these Projects.

Governance

Ordinance 215-12 delegates the Board of Supervisors’ authority as Successor Agency to the Successor Agency Commission, with the exception of certain changes to the affordable housing program which are described below and retained by the Board of Supervisors. The Commission provides financial and policy oversight and exercises land use and design approval authority for the Projects. The Commission is comprised of five members appointed by the Mayor and confirmed by the Board of Supervisors, with two of the seats held by residents of the two supervisorial districts that contain the largest amounts of the Projects, i.e. Districts 6 and 10.

Dissolution Law requires that certain actions of a successor agency are subject to the review and approval of an Oversight Board (“OB”), whose actions are subject to further reviews by the Department of Finance. The OB has a fiduciary duty to the holders of enforceable obligations with the former SFRA and to the taxing entities that are entitled to an allocation of property taxes. The OB reviews and approves OCII’s expenditures and use of tax increment through the annual Recognized Obligation Payment Schedules. The OB also approves the issuance of bonds, transfers of property, and other matters related to the dissolution of SFRA. The Mayor appoints four of the seven members of the OB, subject to confirmation by the Board of Supervisors. One of those four members represents the “largest number of former redevelopment agency employees employed by the successor agency.” Cal. Health & Safety Code § 34179 (a) (11). The remaining three members are representatives of affected taxing entities: the Bay Area Rapid Transit District, the San Francisco Unified School District, and the San Francisco Community College.

Dissolution Law establishes that OCII is a separate entity from the City and County of San Francisco (“CCSF”), as was the SFRA. However, under BOS Ordinance No. 215-12, the BOS, in its capacity as the legislative body for CCSF, must still approve OCII’s annual budget (Cal Health & Safety Code § 33606) and retains the authority to approve any modification to an enforceable obligation “that would decrease the commitment of property tax revenue for

affordable housing or materially change the obligations to provide affordable housing.” Ordinance No. 215-12, § 6 (a). OCII’s budget is initially approved by the Commission and subsequently approved by the Mayor and Board of Supervisors.

2. Program Summary

OCII's primary activity is funding and facilitating delivery of affordable housing and infrastructure in the project areas of Mission Bay North and South, Transbay, and Hunters Point Shipyard/Candlestick Point. OCII's programmatic spending reflects this mission. Much of OCII staff time is spent on working closely with development partners and City agencies on land use plans and the associated permits and maps necessary to build these new communities. Additional details on OCII's staffing efforts related to that review, as well as information on FY 2025-26 programmatic goals for the delivery of public infrastructure (such as parks and open spaces), affordable housing units, and support of community benefits and workforce development can be found in the subsequent sections. Below are brief summaries OCII's three Projects, along with FY 2025-26 program highlights.

Mission Bay North and South

In 1998, the Board of Supervisors approved the project areas of Mission Bay North and Mission Bay South, together referred to as Mission Bay, to create a vibrant transit-oriented and mixed-use community that will result in 6,535 residential units (29 percent of which will be affordable), 5.2 million square feet of office and biotechnology space, 560,000 square feet of retail uses, a University of California San Francisco ("UCSF") research campus and medical center including a 550-bed hospital, 18,000-seat event center, 129-room and 300-room hotels, library, school, police headquarters, and a local police and fire department. Mission Bay contains 49 acres of open space, approximately 41 of which are owned by the City and approximately eight of which are owned by UCSF. The master developer of the Mission Bay Project, FOCIL MB, is responsible for constructing public infrastructure and parks pursuant to two Owner Participation Agreements ("OPAs"). OCII reimburses the developer for constructed infrastructure with property tax revenues, special tax assessments of community facilities districts ("CFD"), and bond proceeds secured by those revenues and assessments. OCII is responsible for approving the land uses and designs of both the public and private development projects in Mission Bay, which is generally not subject to the Planning Code. OCII directly funds affordable housing in Mission Bay, which is provided on specific sites contributed by FOCIL MB and identified in the OPAs. Completion of the Mission Bay Project is anticipated in four years and will result in construction of more than \$800 million of infrastructure, development of over \$8 billion in private vertical development, and creation of 31,000 permanent jobs. The Mission Bay Redevelopment Plans will expire in late 2028.

To date 6,349 residential units, 4.1 million square feet of office and biotechnology space, 540,000 square feet of retail uses, a 289-bed hospital, an 18,000-seat event center, 68 percent of the UCSF research campus and 38 acres of open space have been built. In FY 2025-26, OCII will continue to reimburse the master developer for completed infrastructure with a combination of tax allocation bond proceeds, property tax increment and CFD assessments and bond proceeds.

OCII will also monitor predevelopment for Mission Bay South Block 4E and enter into a gap loan for Phase 1 of that block and a predevelopment loan for Phase 2 of that block, continue to review designs and permits for future open space parcels, and private commercial tenant improvements, create public art in Park P2 using public art fees contributed by various developers, and explore the possible increase of residential density on the two remaining affordable housing sites in Mission Bay South.

Transbay

The Transbay Project was established in 2005 and is located primarily between Folsom and Howard Streets, east of 2nd Street, and west of Spear and Main Streets. A small portion of the Transbay Project extends south of Folsom Street along Essex Street to Harrison Street, and west of Harrison Street to Second Street. The Transbay Project consists of two zones. Zone 1 is under the land use authority of OCII and consists of twelve blocks of land, eleven of which were formerly owned by the State. Zone 2 is under the City Planning Department's jurisdiction and includes the Salesforce Transit Center and two former State-owned parcels. OCII is responsible for funding the design and construction of two parks, streetscape improvements on Folsom Street, selling designated formerly State-owned parcels to fund construction of the Salesforce Transit Center, and portal project, forming partnerships with for-profit and non-profit developers to build housing, and directly funding affordable housing. Thirty-five percent of all new housing units in the entire Transbay Project Area will be affordable. After the entirety of all the former State-owned and OCII parcels have been fully built out, the Transbay Project will have contributed approximately 3,900 residential units, 2.5 million square feet of office, 94,000 square feet of retail, and 9 acres of open space to the neighborhood.

In Zone 1, all of the office space is complete, and 2,196 residential units have been built. In FY 2025-26, approximately 405 units in Zone 1 will be in the planning phase. These units consist of projects that will occupy a portion of the northern end of the former Transbay Temporary Bus Terminal site. Staff is planning to issue an RFP for one or two affordable projects on the west side of Transbay Block 4. An RFP for a mixed-income development on the east side of Transbay Block 4 will be issued after FY 2025-26 based on market conditions. Additionally, a stand-alone affordable housing project subsidized by OCII is planned for Block 12. OCII intends to release a request for proposals/qualifications to select a development team to begin predevelopment planning for Block 12 that will be constructed after the Caltrain rail tunnel is extended from its current terminus at the 4th and King Street station to the Salesforce Transit Center. Since Block 12 sits atop the future rail extension's route, OCII is working with the TJPA to determine when OCII may be able to advance the Block 12 project. Still, early planning for the project is needed such that the eventual Block 12 developer can begin coordination work with the TJPA and OCII since the TJPA also needs to route critical train tunnel infrastructure through the development parcel.

In compliance with its infrastructure obligations, OCII will disburse funds in FY 2025-26 through an existing contract with San Francisco Public Works (“SFPW”) to continue managing the construction of the Block 3 Infrastructure Improvements Project. OCII will also continue dispersing funds to CMG Landscape Architecture regarding the design and permitting of the Under Ramp Park project, and to SFPW for their predevelopment services for the project. OCII will also continue our Transbay property management duties which include the supporting the interim activation of Blocks 3 and 4 on the former Temporary Transbay Terminal site and the continued funding of a maintenance contract for the Essex St. Open Space parcel.

Hunters Point Shipyard and Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project comprises approximately 702 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors adopted the Shipyard Redevelopment Plan in 1997 and the Bayview Hunters Point Redevelopment Plan in 2006. In 2010, the Board of Supervisors amended both redevelopment plans, and the Redevelopment Agency approved a Disposition and Development Agreement that included the Candlestick Point portion of the Bayview Hunters Point Redevelopment Plan and Phase 2 of the Hunters Point Shipyard (“HPS2”). The Hunters Point Shipyard will be developed by different master developers under two separate disposition and development agreements: Lennar, which is developing Hunters Point Shipyard Phase 1, and FivePoint, which is developing Hunters Point Shipyard Phase 2/Candlestick Point. Together, the entire Hunters Point Shipyard/Candlestick Point Project will generate 12,100 units of housing (of which approximately one-third will be affordable), 337 acres of parks, approximately 6.7 million square feet of commercial space, and roughly \$86 million of community benefits such as homeowner assistance, workforce development, educational assistance, and health and wellness programming. To date, 842 units have been built at Hunters Point Shipyard Phase 1 and Candlestick Point, including the first four phases of a revitalized Alice Griffith public housing development.

In 2024, OCII amended the Bayview Hunters Point Redevelopment Plan (Reso No. 25-2024), the Hunters Point Shipyard Redevelopment Plan (Reso No. 26-2024), and the Hunters Point Shipyard Phase 2/Candlestick Point Development and Disposition Agreement (Reso No. 27-2024) in response to delays in the Department of Navy's cleanup of the Hunters Point Shipyard, shifts in the commercial real estate market due to the pandemic, and expiring time limits on the Redevelopment. The amendments provide flexibility to the Candlestick Point land use program while Shipyard cleanup continues by transferring up to 2,050,000 square feet of research and development and office space from HPS2 to Candlestick Point, and also allows entertainment and hotel uses throughout the Candlestick Point Project Area. The amendments also extended time limits for incurring debt to finance the project (2054 for Candlestick Point), receiving property tax increment and repaying debt (2069 for Candlestick Point) and increases the amount of bonded indebtedness for HPS 2/Candlestick Point to \$5.9 Billion for both project areas). HPS2 Redevelopment time and financing limits commence following the transfer of all Hunter's Point

Shipyard parcel(s) required to complete the 1st Major Phase from the Navy to FivePoint. These adjustments provide the flexibility needed to keep the redevelopment moving forward while addressing the challenges of cleanup delays and shifting market conditions.

In FY 2025-26, infrastructure planning, design, and permitting for Candlestick Point Major Phase 2 will be complete, with construction anticipated to begin in early 2026. At Hunters Point Shipyard Phase 1, OCII will focus on affordable housing, street construction and acceptance, and park management. These efforts include funding the construction of three OCII-funded affordable housing buildings—Blocks 52/54 and Block 56—which total approximately 185 units together, and working with Lennar to facilitate the City’s acceptance of streets at Hunters Point Shipyard Phase 1. Both Lennar and FivePoint have made monetary contributions by their Community Benefits Agreements. Additionally, OCII will continue to execute contracts with community partners to implement various community benefit programs, including scholarships, contractor assistance, down payment assistance, workforce development, neighborhood building, and college readiness and career development programming.

Year-Over-Year Comparison and Budget Summary

As shown in Exhibit 1, the proposed FY 2025-26 budget of \$622.2 million represents a decrease of \$62.9 million from the FY 2024-25 budget of \$685.2 million. Of this amount, \$349.6 million in uses is requested budget authority and \$272.7 million is Prior Period Authority carried forward from FY 2024-25. Prior Period Authority is expenditure carried forward from prior fiscal years, including affordable housing loans awarded but not drawn down and multi-year construction budgets.

Changes to current year revenue sources compared to prior year are primarily due to a decrease in Prior Period Authority – Housing, which reflects the use of affordable housing bond proceeds from bonds issued in prior year and other fees received in prior years and a planned decrease in debt service schedule. This decrease is offset by an increase in bonds planned for issuance in FY 2025-26 to fund affordable housing projects.

Changes to current year uses compared to prior year are primarily due to a decrease in Affordable Housing Loans, Development Infrastructure, and Debt Service. These decreases are due to continued spending on affordable housing and infrastructure projects and a planned decrease in the debt service schedule.

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Exhibit 1: Proposed FY 2025-26 Budget Compared to FY 2024-25 Budget, *Millions**

	FY 24-25 Budget	FY 25-26 Budget	YOY Difference
Sources			
Property Tax Increment - TAB Debt Service	\$ 72.9	\$ 57.1	\$ (15.9)
Property Tax Increment - Mission Bay	\$ 38.9	\$ 35.7	\$ (3.3)
Property Tax Increment - HPS2/CP	\$ 1.9	\$ 1.5	\$ (0.4)
Property Tax Increment - State Owned TBY	\$ 33.2	\$ 32.0	\$ (1.2)
Property Tax Increment - Other	\$ 9.3	\$ 6.6	\$ (2.6)
Property Tax Increment - Residual	\$ 0.3	\$ 0.3	\$ -
Property Tax Increment - ACA	\$ 3.8	\$ 3.6	\$ (0.2)
Subtotal Property Tax Increment	\$ 160.4	\$ 136.9	\$ (23.5)
 New Bonds - Housing	 \$ -	 \$ 95.8	 \$ 95.8
New Bonds - Infra	\$ 64.0	\$ 37.4	\$ (26.6)
Subtotal New Bonds	\$ 64.0	\$ 133.3	\$ 69.3
 Developer Payments	 \$ 104.6	 \$ 10.3	 \$ (94.2)
Subtotal Developer Payments	\$ 104.6	\$ 10.3	\$ (94.2)
 Rent & Lease Revenue	 \$ 0.4	 \$ 0.4	 \$ -
Payments from Other Gov Entities	\$ 0.0	\$ 0.0	\$ 0.0
Special Tax	\$ 1.1	\$ 0.5	\$ (0.6)
Hotel Tax	\$ 4.7	\$ -	\$ (4.7)
Subtotal Other	\$ 6.2	\$ 0.9	\$ (5.3)
 Fund Balance - Housing	 \$ 23.2	 \$ 42.1	 \$ 18.8
Fund Balance - Non-Housing	\$ 20.8	\$ 26.0	\$ 5.2
Subtotal Fund Balance	\$ 44.0	\$ 68.1	\$ 24.1
 Prior Period Authority - Housing	 \$ 231.4	 \$ 157.3	 \$ (74.2)
Prior Period Authority - Non-Housing	\$ 74.6	\$ 115.4	\$ 40.9
Subtotal Prior Period Authority	\$ 306.0	\$ 272.7	\$ (33.3)
 Total Sources	 \$ 685.2	 \$ 622.2	 \$ (62.9)
 Uses			
Uses - Operations			
Operational Salaries and Benefits	\$ 10.3	\$ 10.1	\$ (0.1)
Affordable Housing Services	\$ 1.3	\$ 1.5	\$ 0.1
Rent	\$ 0.9	\$ 0.9	\$ 0.0
Retiree Health and Pension Costs	\$ 3.9	\$ 4.2	\$ 0.3
Auditing & Accounting Services	\$ 0.3	\$ 0.2	\$ (0.1)
Legal Services	\$ 1.4	\$ 1.3	\$ (0.2)
Planning & Infrastructure Rvw	\$ 5.0	\$ 4.9	\$ (0.0)
Real Estate Development Services	\$ 0.0	\$ 0.1	\$ 0.0
Workforce Development Services	\$ 0.2	\$ 0.1	\$ (0.1)
Other Professional Services	\$ 7.9	\$ 7.4	\$ (0.5)
Grants to Community-Based Organizations	\$ 1.3	\$ 1.2	\$ (0.0)
Payments to Other Public Agencies	\$ 0.4	\$ 0.4	\$ -
Other Current Expenses	\$ 2.3	\$ 1.3	\$ (1.1)
Subtotal Uses - Operations	\$ 35.3	\$ 33.6	\$ (1.6)
Uses - Non-Operations			
Affordable Housing Loans	\$ 111.5	\$ 40.1	\$ (71.5)
Replacement Housing	\$ 0.7	\$ -	\$ (0.7)
Development Infrastructure	\$ 98.8	\$ 72.0	\$ (26.7)
Pass-through to TJPA	\$ 33.2	\$ 32.0	\$ (1.2)
Debt Service - OCII TAB Bonds	\$ 110.0	\$ 85.8	\$ (24.2)
Public Art	\$ 1.0	\$ 0.8	\$ (0.2)
Other Debt	\$ 4.7	\$ -	\$ (4.7)
Subtotal Uses - Non-Operations	\$ 359.8	\$ 230.7	\$ (129.1)
 Prior Period Authority - Housing	 \$ 231.4	 \$ 253.0	 \$ 21.5
Prior Period Authority - Non-Housing	\$ 58.7	\$ 104.9	\$ 46.3
Subtotal Prior Period Authority	\$ 290.1	\$ 357.9	\$ 67.8
 Total Uses	 \$ 685.2	 \$ 622.2	 \$ (62.9)
 Sources vs. Uses	 \$ -	 \$ -	 \$ -

**Dollar amounts will be slightly off due to rounding.*

As shown in Exhibit 2, in FY 2025-26 OCII proposes to expend \$504.1 million, or 81.0 percent of its budget, on direct program spending including \$293.2 million on affordable housing, \$189.5 million on infrastructure and other non-housing activities, \$20.0 million on project management and costs, and \$1.5 million on community development and workforce activities. OCII will fund these activities using primarily PPA and bonds.

Exhibit 2: Proposed FY 2025-26 Budget Programmatic Summary, *Millions**

	Sources	Property Tax	Developer Payments	New Bonds - Housing	New Bonds - Infra	Rent & Lease Revenue	Fund Balance	Prior Period Authority	Other	Total	Percent
Uses											
<u>Direct Program Spending</u>											
Affordable Housing		\$ -	\$ -	\$ 95.8	\$ -	\$ -	\$ 40.2	\$ 157.1	\$ -	\$ 293.2	47.1%
Infrastructure & Other Non-Housing		\$ 8.3	\$ 7.8	\$ -	\$ 37.4	\$ -	\$ 20.4	\$ 115.5	\$ -	\$ 189.5	30.4%
Project Mgmt & Operations		\$ 10.9	\$ 2.5	\$ -	\$ -	\$ -	\$ 6.1	\$ -	\$ 0.5	\$ 20.0	3.2%
Comm Dev & Workforce		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.4	\$ 0.0	\$ -	\$ 1.5	0.2%
Direct Programmatic Subtotal		\$ 19.1	\$ 10.3	\$ 95.8	\$ 37.4	\$ -	\$ 68.1	\$ 272.7	\$ 0.5	\$ 504.1	81.0%
<u>Indirect Program Spending</u>											
Debt		\$ 85.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85.8	13.8%
TJPA Pass-through		\$ 32.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32.0	5.1%
Other		\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ 0.4	0.1%
Indirect Programmatic SubTotal		\$ 117.8	\$ -	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ 118.2	19.0%
Total		\$ 136.9 22.0%	\$ 10.3 1.7%	\$ 95.8 15.4%	\$ 37.4 6.0%	\$ 0.4 0.1%	\$ 68.1 10.9%	\$ 272.7 43.8%	\$ 0.5 0.1%	\$ 622.2 100.0%	100.0%

**Dollar amounts will be slightly off due to rounding.*

To support the delivery of these direct programmatic activities, the Proposed FY 2025-26 Budget includes funding for indirect program expenditures, such as project management and operations, debt, and Transbay Joint Powers Authority (“TJPA”) Pass-through obligation, which is a pass-through of pledged property tax to the TJPA. Exhibit 2 shows a total of \$118.2 million budgeted to these indirect programmatic expenditures, which are primarily supported through property tax.

Exhibit 3 shows the total Proposed FY 2025-26 Budget by Project Area and Cost Center. The column headers describe Operations, Debt, and OCII’s major active projects: Hunters Point Shipyard Phase 1 and Phase 2 / Candlestick Point (“Hunters Point Shipyard / Candlestick Point”) or (“HPS/CP”), Mission Bay North (“MBN”), Mission Bay South (“MBS”), and Transbay (“TBY”). Expenditures unrelated to the major active project areas, Operations, or Debt are rolled up and shown in the Other column. Exhibit 3 integrates the proposed budget for affordable housing into the appropriate project area, according to each project’s location.

Exhibit 3: Proposed FY 2025-26 Budget by Project Area/Cost Center

	Cost center	Operations	Debt	HPS / CP	MBN	MBS	TBY	Other	Total
Sources									
Property Tax Increment - TAB Debt Service	\$	-	\$ 57,079,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,079,840
Property Tax Increment - Mission Bay	\$	-	\$ 28,688,644	\$ -	\$ -	\$ 7,000,000	\$ -	\$ -	\$ 35,688,644
Property Tax Increment - HPS2/CP	\$	-	\$ -	\$ 1,542,482	\$ -	\$ -	\$ -	\$ -	\$ 1,542,482
Property Tax Increment - State Owned TBY	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 32,000,000	\$ -	\$ 32,000,000
Property Tax Increment - Other	\$	4,929,483	\$ -	\$ 176,059	\$ -	\$ -	\$ 1,538,943	\$ -	\$ 6,644,485
Property Tax Increment - Residual	\$	345,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,118
Property Tax Increment - ACA	\$	3,617,319	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,617,319
New Bonds - Housing	\$	-	\$ -	\$ -	\$ -	\$ 95,831,519	\$ -	\$ -	\$ 95,831,519
New Bonds - Infra	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 37,447,292	\$ -	\$ 37,447,292
Developer Payments	\$	-	\$ -	\$ 9,788,444	\$ 47,713	\$ 314,751	\$ 172,043	\$ -	\$ 10,322,951
Rent & Lease Revenue	\$	-	\$ -	\$ 395,100	\$ -	\$ -	\$ -	\$ -	\$ 395,100
Payments from Other Gov Entities	\$	19,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,807
Special Tax	\$	487,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,353
Fund Balance - Housing	\$	-	\$ 172,282	\$ 10,484,851	\$ -	\$ 15,856,182	\$ 15,419,459	\$ 150,000	\$ 42,082,773
Fund Balance - Non-Housing	\$	1,699,778	\$ 552,506	\$ 1,493,346	\$ 10,532,006	\$ 7,950,292	\$ 3,536,108	\$ 280,593	\$ 26,044,629
Subtotal Budget Sources	\$	11,098,858	\$ 86,493,271	\$ 23,880,281	\$ 10,579,719	\$ 126,952,743	\$ 90,113,845	\$ 430,593	\$ 349,549,311
Prior Period Authority - Housing	\$	-	\$ -	\$ 56,258,535	\$ -	\$ 3,316,521	\$ 97,683,135	\$ -	\$ 157,258,191
Prior Period Authority - Non-Housing	\$	-	\$ -	\$ 26,920	\$ -	\$ 43,166,733	\$ 65,672,381	\$ 6,557,100	\$ 115,423,135
Subtotal Sources - Prior Period Authority	\$	-	\$ -	\$ 56,285,455	\$ -	\$ 46,483,254	\$ 163,355,516	\$ 6,557,100	\$ 272,681,326
Total Sources	\$	11,098,858	\$ 86,493,271	\$ 80,165,736	\$ 10,579,719	\$ 173,435,998	\$ 253,469,361	\$ 6,987,692	\$ 622,230,637
Uses									
Uses - Operations									
Allocated Staff & Operating Expenses	\$	(8,865,911)	\$ 724,787	\$ 3,133,261	\$ 106,148	\$ 2,448,080	\$ 2,173,042	\$ 280,593	\$ (0)
Operational Salaries and Benefits	\$	10,125,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,125,663
Affordable Housing Services	\$	1,322,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 1,472,893
Rent	\$	908,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,244
Retiree Health and Pension Costs	\$	4,201,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,201,139
Auditing & Accounting Services	\$	215,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,000
Legal Services	\$	125,000	\$ -	\$ 1,134,000	\$ -	\$ -	\$ 7,000	\$ -	\$ 1,266,000
Planning & Infrastructure Rvw	\$	1,000	\$ -	\$ 4,945,000	\$ -	\$ -	\$ -	\$ -	\$ 4,946,000
Real Estate Development Services	\$	-	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Workforce Development Services	\$	65,600	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ 125,600
Other Professional Services	\$	1,721,783	\$ -	\$ 1,407,484	\$ -	\$ 3,512,635	\$ 751,150	\$ -	\$ 7,393,052
Grants to Community-Based Organizations	\$	-	\$ -	\$ 1,243,366	\$ -	\$ -	\$ -	\$ -	\$ 1,243,366
Payments to Other Public Agencies	\$	-	\$ -	\$ 395,100	\$ -	\$ -	\$ -	\$ -	\$ 395,100
Other Current Expenses	\$	1,278,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278,447
Subtotal Uses - Operations	\$	11,098,858	\$ 724,787	\$ 12,368,211	\$ 106,148	\$ 5,960,715	\$ 2,931,192	\$ 430,593	\$ 33,620,504
Uses - Non-Operations									
Affordable Housing Loans	\$	-	\$ -	\$ 10,030,000	\$ -	\$ 15,000,000	\$ 15,045,000	\$ -	\$ 40,075,000
Development Infrastructure	\$	-	\$ -	\$ 1,282,090	\$ 10,473,571	\$ 52,632,732	\$ 7,644,119	\$ -	\$ 72,032,512
Pass-through to TJPA	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 32,000,000	\$ -	\$ 32,000,000
Debt Service - OCII TAB Bonds	\$	-	\$ 85,768,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,768,484
Public Art	\$	-	\$ -	\$ -	\$ -	\$ 833,361	\$ -	\$ -	\$ 833,361
Subtotal Uses - Non-Operations	\$	-	\$ 85,768,484	\$ 11,312,090	\$ 10,473,571	\$ 68,466,093	\$ 54,689,119	\$ -	\$ 230,709,358
Prior Period Authority - Housing	\$	-	\$ -	\$ 56,258,535	\$ -	\$ 99,009,190	\$ 97,683,135	\$ -	\$ 252,950,860
Prior Period Authority - Non-Housing	\$	-	\$ -	\$ 226,900	\$ -	\$ -	\$ 98,165,915	\$ 6,557,100	\$ 104,949,915
Subtotal Uses - Prior Period Authority	\$	-	\$ -	\$ 56,485,435	\$ -	\$ 99,009,190	\$ 195,849,050	\$ 6,557,100	\$ 357,900,775
Total Uses	\$	11,098,858	\$ 86,493,271	\$ 80,165,736	\$ 10,579,719	\$ 173,435,998	\$ 253,469,361	\$ 6,987,692	\$ 622,230,637
Sources vs. Uses	\$	(0)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

As shown in Exhibit 3, Transbay expenditures are the largest cost center in OCII's budget, reflecting the planned expenditure on designing and constructing Under-ramp and Block 3 parks and the affordable housing loans. Mission Bay South the second largest expenditure area, primarily reflecting affordable housing loans.

3. Land Use and Infrastructure

OCII's Projects are developed in accordance with land uses approved through a variety of regulatory documents including Redevelopment Plans, design and zoning control documents, as well as phased development applications ("Major Phases" or "Sub Phases"). The design and construction of infrastructure, including streets, utilities, parks and open spaces must be in compliance with applicable City laws and OCII regulatory documents. OCII staff work closely with other City agencies, developers, and a variety of professional consultants to review and ultimately approve the land uses and designs. Below is a summary of the major land use reviews OCII will undertake in FY 2025-26.

FY 2025-26 Land Use Approvals and Planning

Mission Bay

Mission Bay is the most mature of OCII's Projects. The major land use approvals in Mission Bay are complete, along with the majority of the infrastructure. In FY 2020-21 Alexandria Real Estate ("ARE") received entitlements to build a 170,000 square foot office and life science building at 1450 Owens and the Golden State Warriors received entitlements to develop a hotel and residential project. In FY 2024-25, ARE completed construction of their project. The Golden State Warriors continue to assess the current development environment before moving forward with their hotel project. In FY 2024-25, OCII began working with the San Francisco Arts Commission to create public art in Park P2 with the public art fees paid by various developers pursuant to the Redevelopment Plan requirements and will continue to do so in FY 2025-26. In FY 2025-26, OCII, through its master developer FOCIL-MB LLC, will construct the final stormwater pump station and a pedestrian-only publicly accessible block of Bridgeview Way in Mission Bay South and will also begin upgrades to the 5th Street and King Street intersection in Mission Bay North. It will finish construction on a 0.5 acre stormwater treatment park, P19, and, will begin construction on P2/P8, a five acre park located south of Mission Creek. Additionally, OCII will pursue potential actions for additional housing entitlement on Mission Bay South Blocks 4E and 12W and will continue to work with Gladstone Institutes on its potential expansion. Gladstone Institutes, a non-profit biomedical research organization, was Mission Bay's first biotech development and completed its 195,000 square foot building in 2004.

Transbay

Transbay is comparable to an infill style of development, rather than a master developed project on vacant land. As such, the existing infrastructure and streetscape network of downtown primarily support the developments in the Transbay Project. OCII will utilize an existing contract with a third-party design consultant to finalize the Construction Documents for Under-ramp Park. As this park will be owned by the Transbay Joint Powers Authority (TJPA), OCII will seek final design and, once the park is constructed, acceptance of the completed park improvements from the TJPA Board of Directors. OCII will also utilize an existing contract with SFPW to prepare the

project for construction bidding. Early this calendar year, under a separate existing contract with SFPW, OCII began construction of streetscape and utility improvements related to the Block 2 affordable housing projects and will complete certain improvements so that both Block 2 affordable housing projects can secure their occupancy permits beginning later this year. The construction of these Block 2-related infrastructure improvements will be completed in June 2026. OCII will disburse existing construction loans for Blocks 2E and 2W for a total of 335 units of affordable senior and family housing.

Hunters Point Shipyard/Candlestick Point

The Hunters Point Shipyard/Candlestick Point developments comprise two distinct projects, Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point. Hunters Point Shipyard Phase 1 consists of two areas, Hilltop and Hillside. Most of the infrastructure for the Hilltop portion of Phase 1 is complete. In FY 2025-26, the Developer will continue the public acceptance process of the streets in Hilltop. The Developer will also continue to build the entire Hillside infrastructure. Development at Hunters Point Shipyard Phase 2 is delayed while the U.S. Navy concludes the environmental re-testing of several parcels. Pre-development activities will be underway in FY 2025-26 at Candlestick Point to build the backbone infrastructure to support the approximately 675 units and 1.5 million square feet of commercial space. These pre-development activities include the subdivision of the land and the approval of infrastructure permits and related legal agreements. The next phase of development is expected to break ground in Q3 of FY 2025-26.

FY 2025-26 Infrastructure and Non-Housing Completions

There are a number of infrastructure projects in active planning or construction. Construction of one park P19 in Mission Bay will be completed. P19 is a 0.5 acre open space parcel focused on stormwater treatment through the use of plantings and bioswales. The park is located at China Basin Street and Terry Francois Blvd, directly east of OCII's Mission Bay South Block 9A affordable homeownership project. Exhibit 4 summarizes anticipated infrastructure project completions.

Exhibit 4: FY 2025-26 Infrastructure & Non-Housing Project Completions

	Mission Bay	Transbay	HPS/CP	Total
Parks and Open Space Projects	1	0	0	1

FY 2025-26 Infrastructure Funding

OCII anticipates expending \$189.5 million on infrastructure in FY 2025-26, using the sources shown in Exhibit 5. Of the amount shown in Exhibit 5, OCII will spend \$72.0 million on

development infrastructure reimbursements and the remainder on other various support services, including legal services, other professional services, planning and infrastructure review, services contracted in a prior year, and public art.

Exhibit 5: FY 2025-26 Infrastructure & Non-Housing Sources by Uses, *Millions*

	Bonds	Developer Payments	Property Tax	Fund Balance	Prior Period Authority	Total
Development Infrastructure	\$6.4	\$0.0	\$8.3	\$15.0	\$42.3	\$72.0
Legal Services	\$0.0	\$1.1	\$0.0	\$0.0	\$0.0	\$1.1
Other Professional Services	\$0.0	\$1.6	\$0.0	\$3.9	\$0.1	\$5.7
Planning & Infrastructure Rvw	\$0.0	\$4.9	\$0.0	\$0.0	\$0.0	\$4.9
Prior Period Authority - Non-Housing	\$31.0	\$0.0	\$0.0	\$1.5	\$72.2	\$104.7
Public Art	\$0.0	\$0.0	\$0.0	\$0.0	\$0.8	\$0.8
Real Estate Development Services	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1
Workforce Development Services	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Total	\$37.4	\$7.8	\$8.3	\$20.4	\$115.5	\$189.5

4. Housing Obligations

One of OCII's most important missions is to ensure the completion of the affordable housing obligations throughout Mission Bay North and South, Transbay, and Hunters Point Shipyard/Candlestick Point as well as SB 593 Replacement Housing. Exhibit 6 shows OCII's total housing production obligation of 27,760 units, which represents the full build out of the Projects from inception to completion. This includes market rate units, developer funded inclusionary affordable units, and OCII funded affordable housing units and replacement housing units. By the start of FY 2025-26, OCII anticipates that a total of 9,649 housing units will be complete and occupied across the Projects.

Exhibit 6: Total Housing Production, as of July 1, 2025

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable*	Total Affordable	% of Total
Completed	9,649	6,558	660	2,431	3,091	35%
In Construction	335	3	0	332	332	1%
Predevelopment	2,291	1,418	147	726	873	8%
Preliminary Planning	2,229	1156	213	860	1,073	8%
Future Development	13,256	5,602	1,506	6,148	7,654	48%
TOTAL	27,760	14,737	2,526	10,175	13,023	100%

Of the 27,760 total housing units shown in Exhibit 6, OCII's development agreements and SB 593 Replacement Housing obligation require the agency to produce over 13,000 affordable housing units, as shown by obligation in Exhibit 7.

Exhibit 7: OCII-Funded Retained Affordable Housing Production Obligation, by Project Area

Project Status	Hunters Point Shipyard Phase I	Hunters Point Shipyard Phase II & Candlestick Point	Mission Bay North & South	Transbay	Replacement Housing*	Total
Completed	293	333	1,744	721	-	3,091
In Construction		-		332	-	332
Predevelopment	80	397	163		233	873
Preliminary Planning	-	386	0	373	314	1,073
Future Development	33	2,247	-	79	5,295	7,654
TOTAL	406	3,363	1,907	1,505	5,842	13,023
% COMPLETE ALL UNITS	35%	3%	95%	67%	0%	33%
* Includes manager's units						

FY 2025-26 Housing Completions

In FY 2025-26, OCII will complete 332 OCII-funded affordable housing units. These completions are in Transbay and are comprised of one senior and one family affordable development. There are no completions scheduled in OCII-funded affordable, inclusionary affordable, or market rate units in Mission Bay North and Hunters Point Shipyard Phase 1 or 2 or Candlestick Point.

Exhibit 8: Housing Production, FY 2025-26 Projected Completions

<i>Project</i>	Transbay <i>Block 2 West</i>	Transbay <i>Block 2 East</i>	Total
Housing Type			
OCII-Funded Affordable Units	150	182	332
Total Completions	150	182	332

FY 2025-26 Housing Budget

Each fiscal year, OCII funds a significant amount of affordable housing in stand-alone projects which typically serve low or very-low income households (up to 60 percent or 50 percent area median income). The sources of funding for OCII's affordable housing include taxable housing bonds, pay-go tax increment, and developer fees such as job-housing linkage fees. OCII makes direct loans to affordable housing developers in the form of predevelopment and construction loans.

To fulfill its production obligation, OCII anticipates expending \$293.2 million in FY 2025-26, as shown in Exhibit 9. Of this amount, OCII will expend \$253.0 million on continued affordable housing loans, \$40.1 million on loans, and \$0.2 million on city services for housing projects.

Exhibit 9: OCII-Funded Affordable Housing Program, FY 2025-26 Sources by Uses, *Millions*

	Developer Payments	Fund Balance	Prior Period Authority	Total
Existing Loan	\$95.8	\$0.0	\$157.1	\$253.0
New Loan	\$0.0	\$40.1	\$0.0	\$40.1
Other	\$0.0	\$0.2	\$0.0	\$0.2
Total	\$95.8	\$40.2	\$157.1	\$293.2

In FY 2025-26, OCII plans to fund up to seven loans (MBS 4E Phase 2, MBS 12W A and B, TBY 12, TBY 4W A and B, HPS 48,) and continue to manage seven loans (CP 10a, CP 11a, HPS 52/54, HPS 56, TBY 2W, TBY 2E, MBS 4E Phase 1). These loans will result in construction of housing that serves a wide variety of housing needs, including family rental units, and senior and supportive

housing units. Exhibit 10 provides a breakdown of OCII-funded affordable housing loans by housing type.

Exhibit 10: OCII-Funded Affordable Housing Loans, *Millions*

Project	Type	Amount (\$M)	Number of Units
HPS Blocks 52/54	Gap Loans	\$33.6	112 units
HPS Block 56	Gap Loan	\$19.9	73 units
HPS Block 48*	Predevelopment Loan	\$5.0	144 units
CP Block 11a**	Predevelopment Loan	\$1.2	176 units
CP Block 10a	Predevelopment Loan-On hold	\$1.6	156 units
CPN Block 7	Predevelopment Loan	\$5.0	60 units
HPS/CP Total		\$66.3	721 units
TB Block 2 West	Gap Loan	\$41.3	151 units
TB Block 2 East	Gap Loan	\$56.4	184 units
TB Block 4 W-A***	Predevelopment Loan	\$5.0	200 units
TB Block 4 W-B***	Predevelopment Loan	\$5.0	125 units
TB Block 12	Predevelopment Loan	\$5.0	80 units
Transbay Total		\$112.7	740 units
MBS Block 4E Phase 1****	Gap Loan	\$99.3	165 units
MBS Block 4E Phase 2****	Predevelopment Loan	\$4.6	235 units
MBS Block 12W Phase 1****	Predevelopment Loan	\$5.0	157 units
MBS Block 12W Phase 2****	Predevelopment Loan	\$5.0	161 units
Mission Bay Total		\$113.9	718 units
Total		\$293.0	2179 units

*The Hunters Point Shipyard Phase 1 DDA Housing Program designates sites for the development of OCII-sponsored affordable housing projects and establishes a maximum number of affordable units that may be funded (218). The Former Agency and OCII have developed most of the affordable units and OCII only has authorization to develop the remaining balance of 33 units. Funding for any units in excess of 33 units would be subject to City approval of replacement housing financing under Senate Bill No. 593 (2023) authority (“SB 593”).

** In FY 24/25, the Master Developer finalized a revised land use plan and obtained approvals for corresponding amendments to a variety of plan documents. Based on the revised plan CPN 11A will restart predevelopment and CPN Block 7 will start predevelopment in FY 2024/25.

*** Pursuant to Resolution No. 17-2023, OCII and F4 Transbay Partners LLC entered into an option agreement for a large mixed-income development on all of Transbay Block 4 which expired in June 2024. Staff is planning to issue an RFP for one or two affordable projects on the west side of the site, FY 25/26 expenditures include predevelopment loans for this.

****The Mission Bay South OPA’s Housing Program designates sites for the development of OCII-sponsored affordable housing projects and establishes a maximum number of affordable units (1,218) that may be developed. The Former Agency and OCII have developed most of the affordable units and OCII only has authorization to develop the remaining balance of 165 units. However, in furtherance of Citywide housing production goals and in acknowledgement that there may be capacity for additional affordable units on Block 4E and Block 12W, OCII may pursue increases in the allowable number of units on Block 4E and 12W, which may be subject to the consent of FOCIL-MB LLC (“Master Developer”). Funding for any units in excess of 165 units would be subject to approval from the Oversight Board, DOF, and the City pursuant to SB 593.

Replacement Housing

The Community Redevelopment Law (“CRL”) required redevelopment agencies to construct affordable units whenever it destroyed or removed units that had been occupied by low- or moderate-income households. Cal. Health & Safety Code § 33413 (a). This requirement became effective January 1, 1976, and applied only to future actions of a redevelopment agency and established several standards for the type of housing developed as replacement housing.

Prior to 1976, the Former Agency had destroyed, as part of federally-funded urban renewal, 14,207 affordable units, but only produced 7,498 affordable units. In 2000, at the urging of the Former Agency and the City, the California legislature adopted Senate Bill No. 2113 (Burton) (Chapter 661 of the Statutes of 2000) authorizing the Former Agency to use tax increment financing to fund and develop affordable housing to replace those units destroyed by the Former Agency. Cal. Health & Safety Code § 33333.7. Under SB 2113, HCD certified, in 2003, “a net loss of 6,709 units the Agency must replace.”

Prior to its dissolution, the Former Agency was only able to approve and develop 867 replacement units out of the total 6,709, leaving an outstanding balance of 5,842 affordable units that needed to be replaced. Since the 2012 dissolution of the Former Agency, the City and OCII unsuccessfully sought on several occasions to establish that the Replacement Housing Obligation was required to continue after the dissolution of the Former Agency.

SB 593 authorizes OCII, with City approval, to provide funding as an enforceable obligation for the construction of 5,842 units of replacement housing. Unlike other enforceable obligations, OCII is only authorized to use property tax increment that would be available to the City after other OCII obligations are paid.

OCII initiated its Replacement Housing Program in FY 2024-25 with a modest amount of tax increment revenues for predevelopment activities. For FY 2025-26, OCII will continue its predevelopment work and seeks \$0.3 million for staffing costs to plan for replacement units. In the future, OCII will issue a replacement housing bond that will fund an approximately 235-unit affordable housing project on Mission Bay Block 4 East Phase 2, which is currently in predevelopment. The proposed FY 2025-26 Budget, however, does not include authorization of this bond financing.

SB 593 adds to existing OCII authority under Redevelopment Dissolution Law (Statutes 2015, Chapter 325, sections 9 & 27, codified at Cal. Health & Safety Code § 34177.7) to finance and develop affordable housing required under enforceable obligations previously approved by the Department of Finance, see below list:

- Mission Bay North Owner Participation Agreement
- Mission Bay South Owner Participation Agreement

- Hunters Point Shipyard Phase 1 Disposition and Development Agreement
Candlestick Point-Hunters Point Shipyard Phase 2 Disposition and Development Agreement
- Transbay Implementation Agreement

The proposed FY 2025-26 Budget includes funding and authorization of bond financing for affordable housing projects in Mission Bay South and Transbay.

5. Community and Workforce Development

OCII, as the Successor Agency to the SFRA, has a long history of promoting equal opportunity in contracts for professional design and construction services and in the workforce of contractors performing work on OCII-administered contracts. OCII adopted and continues to actively implement the Equal Opportunity Programs (“EOP”) of the prior SFRA, which were incorporated into certain enforceable obligations approved by the Department of Finance. These programs are comprehensive and mirror ordinances enacted by the City, including nondiscrimination in contracts and benefits, health care accountability, minimum compensation, prevailing wage, local hiring, and small business contracting.

OCII’s EOP program applies to all OCII-administered contracts, including Development and Disposition Agreements, ground leases, and loan agreements, among others. OCII administers the EOP program on all stages of a project, from design through construction.

Since dissolution of the former SFRA in 2012, OCII has overseen the award of over \$6.2 billion in contracts with nearly \$2.0 billion or 32.3 percent credited to small business enterprises (“SBE”). Of this amount, \$1.1 billion (\$1,135,000,000) has been awarded to San Francisco-based small businesses. Minority and women-owned businesses have also participated in a significant manner with over \$1.1 billion (\$1,082,000,000) in contracts or nearly 17.7 percent of all awards, reflecting the ethnic and gender diversity of the region. As an economic driver, OCII’s SBE program has benefited over 1,187 local and small businesses since 2012. In FY 2025-26, OCII will continue to promote small business contracting and facilitate economic development.

In addition to small business contracting, OCII has a robust workforce development program to hire local residents. Since 2012, over 53,285 workers (of which 8,025 are San Francisco residents) have performed over 19.2 million construction hours on OCII-administered projects. Local residents performed over 3.8 million hours or 19.8 percent of the total, garnering \$162.9 million in wages. For FY 2025-26, OCII will continue to implement its local construction hiring program to ensure local residents have employment opportunities on OCII-administered projects.

As part of its state-approved enforceable obligations, OCII provides direct grants, funded by developers, to fund community benefits programs. In addition, OCII contracts with OEWD to support local hire efforts on OCII-administered projects. In FY 2025-26 OCII will expend a total of \$1.5 million on these Community Development and Workforce activities.

Exhibit 11: Community Development and Workforce Sources by Uses, *Millions*

	Developer Payments	Payments from Other Government Agencies	Total
Grants to Community-Based Organizations	\$1.5	\$0.0	\$1.5
Workforce Development Services	\$0.0	\$0.1	\$0.1
Total	\$1.5	\$0.1	\$1.5

6. Other Significant Initiatives

OCII plans to implement a number of significant initiatives that are critical to supporting its core mission of providing affordable housing, building infrastructure, supporting community and workforce development, and meeting dissolution obligations.

OCII continues its dissolution obligations, including implementation of the approved Long Range Property Management Plan (“LRPMP”), and disbursing remaining funds in existing agreements.

7. Debt

OCII's debt portfolio contains pre-Dissolution bonds issued by the former San Francisco Redevelopment Agency to fund enforceable obligations of the former Agency, bonds issued by OCII to fund affordable housing obligations and public infrastructure, and refunding bonds, issued by both the former Redevelopment Agency and OCII, to reduce debt service on outstanding debt. The outstanding principal balance on OCII's bonds is \$749.7 million as of August 31, 2024.

Of this amount, \$745.2 million is Tax Allocation Bonds (TABs) secured by property taxes generated in the redevelopment project area and \$4.5 million is Hotel Occupancy Tax Revenue Refunding Bonds secured by hotel occupancy tax revenues. The Hotel Occupancy Tax Revenue Refunding Bond will be paid off by the beginning of the FY 2025-26 Budget. This outstanding debt represents a fixed long-term liability for OCII that is reduced each year by semi-annual debt service payments of principal and interest. The annual cost of OCII's debt portfolio is demonstrated by OCII's annual debt service.

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Exhibit 12: Outstanding Debt, as of August 31, 2024

Issue Name	Trustee	Project Area	Final Maturity Date	Original Principal	Principal Outstanding as of 8/31/24	Debt Service Due Through 8/31/25
1998 Series C Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	BNY	RP	8/1/2024	\$12,915,026	\$-	\$-
1998 Series D Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	BNY	GG, SOMA, YBC, WA2, HP	8/1/2024	\$21,034,002	\$-	\$-
2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	TTL, GG	8/1/2036	\$50,731,331	\$16,634,273	\$5,830,000
2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	BV, MBN, RP, SOMA, YBC	8/1/2037	\$118,285,000	\$88,600,000	\$9,289,500
2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	US Bank	BV, MBS, WA2, YBC	8/1/2039	\$72,565,000	\$55,820,000	\$8,444,727
2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$56,245,000	\$47,605,000	\$3,500,250
2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	All	8/1/2035	\$67,955,000	\$16,570,000	\$2,460,781
2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	All	8/1/2029	\$75,945,000	\$1,940,000	\$447,000
2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project)	US Bank	MBN	8/1/2041	\$73,890,000	\$60,965,000	\$5,188,250
2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$45,000,000	\$36,775,000	\$3,188,750
2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2041	\$73,230,000	\$59,545,000	\$5,222,250
2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$74,651,825	\$46,402,640	\$5,724,840
2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)	US Bank	HPSCP1, HPSCP2	8/1/2044	\$89,765,000	\$24,500,000	\$4,024,355
2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	US Bank	TBY	8/1/2046	\$19,850,000	\$19,850,000	\$992,500
2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)	US Bank	MBS	8/1/2043	\$43,400,000	\$26,755,000	\$2,060,481
2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	MBN, MBS	8/1/2041	\$116,665,000	\$45,890,000	\$5,031,644
2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	MBN, MBS	8/1/2041	\$19,745,000	\$16,070,000	\$1,019,075
2021 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds)	US Bank	MB, TBY, HPSCP1, HPSCP2	8/1/2032	\$127,210,000	\$122,755,00	\$14,244,30
2023 Series A Tax Allocation Bond (Affordable Housing Projects)	US Bank	MB, TBY, HPSCP1, HPSCP2	8/1/2041	\$24,505,000	\$23,320,000	\$2,193,995
2023 Series B Tax Allocation Bond (Transbay Infrastructure Bond)	US Bank	TBY	8/1/2053	\$35,210,000	\$35,210,000	\$1,803,475
Subtotal						
Former Agency Revenue Bonds						
Hotel Occupancy Tax Revenue Refunding Bonds Series 2011	BNY	YBC, Golden Gateway, Western Addition A1 &	6/1/2025	\$43,780,000	\$4,455,000	\$4,677,750
Subtotal				\$43,780,000	\$4,455,000	\$4,677,750
Total						

Exhibit 13 shows OCII's credit ratings, which are credit agencies' assessment of the creditworthiness of the revenues supporting OCII's bonds.

Exhibit 13: Credit Ratings

Credit	Rating	Rating Agency	Date of Last Rating
Tax Allocation Bonds			
RPTTF Senior/Cross Collateralized	AA	Standard & Poor's	11/18/2021
RPTTF Senior/Cross Collateralized	Aa3	Moody's	6/2/2022
RPTTF Subordinate	AA-	Standard & Poor's	9/20/2022
RPTTF Third Lien/"SB 107"	A	Standard & Poor's	8/31/2023
Mission Bay North Infrastructure	A	Standard & Poor's	4/27/2022
Mission Bay South Infrastructure	A-	Standard & Poor's	1/16/2025
Mission Bay North and South Housing	A	Standard & Poor's	4/27/2022
Other			
Hotel Occupancy Tax Revenue	A1	Moody's	6/2/2022
Hotel Occupancy Tax Revenue	AA	Standard & Poor's	4/7/2022

In FY 2025-26, OCII anticipates expending \$85.8 million on its debt program. The largest expenditure will be for debt service on tax allocation bonds ("TABs"), which are bonds issued against property tax revenues and are OCII's primary debt instrument.

Exhibit 14: FY 2025-26 Debt Program, Sources by Uses, *Millions*

	Property Tax	Other	Fund Balance	Total
Debt Service - OCII TAB Bonds	\$85.8	\$0.0	\$0.0	\$85.8
Total	\$85.8	\$0.0	\$0.0	\$85.8

California Redevelopment Dissolution Law imposes limitations on the debt OCII can issue. OCII issues debt to finance the construction of affordable housing or infrastructure required by specified agreements or to refund outstanding debt.

In FY 2025-26, OCII plans to issue four series of bonds: 2025C Housing, 2025D Transbay Taxable, 2025E Transbay Tax-exempt, and 2026 Mission Bay South. The 2025C Housing bond will be used to fund affordable housing loans. 2025D Transbay Taxable will fund private use portions of Under Ramp Park, and 2025E Transbay Tax-exempt will be used to fund the Under Ramp Park. The 2026 Mission Bay South bond will be used to fund developer reimbursements. The total principal amount of these four bond series is estimated at \$202.5 million.

OCII also plans to issue refunding bonds in an estimated principal amount of \$124.3 million to refund its tax-exempt series 2014A, 2016B, and 2016C bonds (the "Refunded Bonds"). The Refunded Bonds were issued to fund, or refund prior bonds that funded, infrastructure in Mission Bay South. OCII will also monitor its bond portfolio to determine if market conditions favor refunding additional bonds. As per OCII's debt policy, refunding bonds must achieve at least three percent net present value debt service savings.

8. Operations Budget

In FY 2025-26 OCII will expend \$20.0 million to fund its operational costs, which is \$1.0 million less than FY 2024-25. This decrease is due to a reduction in non-labor costs based on a review of prior year expenditures, offset by the Cost of Living Adjustments and increase in OCII's retiree health and pension expenditures.

Specifically, OCII will expend \$10.2 million on salaries and benefits, which reflects labor costs for 55 Full-Time Equivalent staff, the same number of staff as FY 2024-25. OCII will expend the remaining \$5.6 million on non-labor expenses such as services from City departments, consulting services for legal and other professional services, insurance, materials and supplies, employee training, and software licensing fees. In addition to staffing and non-labor expenses, OCII will expend \$4.2 million on its retirement obligations, which are retiree health and pension.

Exhibit 15 details the sources and uses for OCII's operations. OCII will fund the majority of its operating costs with property tax and other funds, which includes developer fees. Bond proceeds will fund staff time on bond-related projects.

Exhibit 15: FY 2025-26 Operations, YOY Sources by Uses, *Millions*

Sources	FY 24-25	FY 25-26	Change	% Change
Bond Proceeds	\$0.9	\$1.0	\$0.1	11.1%
Reserve Funds	\$1.0	\$1.2	\$0.2	20.0%
Other Funds	\$5.9	\$6.9	\$1.0	16.9%
Property Tax	\$13.2	\$10.8	(\$2.4)	-18.2%
Total	\$21.0	\$20.0	(\$1.0)	-4.8%
Uses				
Salaries and Benefits	\$10.3	\$10.2	(\$0.1)	-1.0%
Non-Labor	\$6.8	\$5.6	(\$1.2)	-17.6%
Retiree Health and Pension	\$3.9	\$4.2	\$0.3	7.7%
Total	\$21.0	\$20.0	(\$1.0)	-4.8%

The table below details on the non-labor uses in the FY 2025-26 budget.

Exhibit 16: FY 2025-26 Non-Labor Uses

Use	Amount (\$M)
Work Orders with City Departments	\$2.8
Professional Services	\$1.5
Insurance	\$0.6
Other Current Expenses	\$0.5
Software and Information Technology	\$0.1
Legal Services	\$0.1
Total	\$5.6

The operational work performed via work orders with City departments is detailed below.

Exhibit 17: FY 2025-26 Operational Work Orders with City Departments, *Millions*

Department	Service	Amount (\$M)
Mayor's Office of Housing & Community Development (MOHCD)	Affordable Housing Services	\$1.4
Office of City Administrator (ADM)	Rent, Mail, Office of Labor Standards Enforcement	\$0.9
Controller	Accounting and Audit Services	\$0.2
Department of Technology	IT Services	\$0.2
Office of Economic and Workforce Development (OEWD)	Contract Compliance Support	\$0.1
City Attorney	Legal Services	\$0.1
Treasurer Tax Collector	Investment Management	<\$0.1
Planning Department	Planning Review	<\$0.1
Total		\$2.8

Other items of note in the non-labor budget include:

- **Affordable Housing Services:** The proposed FY 2025-26 budget includes \$1.4 million for affordable housing services provided by the Mayor's Office of Housing and Community Development.
- **Legal Services Related to OCII's General Operations:** The proposed FY 2025-26 Operations budget includes \$0.1 million for legal services. Legal costs specific to projects are embedded into the project budgets.
- **Other Professional Services:** The proposed FY 2025-26 budget includes \$1.5 million for professional services, which includes \$1.0 million for affordable housing professional services.
- **Other Current Expenses:** The proposed FY 2025-26 budget includes \$0.5 million for other current expenses:
 - \$0.2 million for facilities improvements, materials and supplies, off-site records storage, and mail and reproduction;
 - \$0.2 million for recruitment, employee training, and field expenses; and

- \$0.1 million for Commission and Oversight Board meeting expenses, including audiovisual recording of Commission meetings by SFGOV TV.

9. Budgeted Positions

The proposed FY 2025-26 budget contains 55 Full Time Equivalent (“FTE”)s).

Exhibit 18: FY 2025-26 Budgeted Positions

		FY 24-25 FTE	FY 25-26 FTE		
Title	Class	Prior Year FTE	Current Year FTE	YOY Difference	Add Active/Vacant/Attritted
Accountant III	695	1	1	0	1.0 FTE Active
Accountant IV	1100	1	1	0	1.0 FTE Active
Accounting Supervisor	970	1	1	0	1.0 FTE Active
Administrative Secretary - A	810	1	1	0	1.0 FTE Active
Assistant Development Specialist-Housing	705	1	1	0	1.0 FTE Active
Associate Planner	730	1	1	0	1.0 FTE Active
Commission Secretary	995	1	1	0	1.0 FTE Active
Contract Compl. Sp. II	640	1	1	0	1.0 FTE Active
Contract Compl. Sp. III	1065	1	1	0	1.0 FTE Active
Contract Compl. Supervisor	585	1	1	0	1.0 FTE Active
Deputy Director	1060	1	1	0	1.0 FTE Active
Deputy Director	1060	1	1	0	1.0 FTE Active
Deputy General Counsel	525	1	1	0	1.0 FTE Active
Development Specialist HPS/CP	615	1	1	0	1.0 FTE Active
Development Specialist Mission Bay	615	1	1	0	1.0 FTE Active
Development Specialist-Housing	615	1	1	0	1.0 FTE Active
Development Specialist-Housing	615	1	1	0	1.0 FTE Active
Development Specialist-Transbay	615	1	1	0	1.0 FTE Active
EA to Executive Director	1000	1	1	0	1.0 FTE Active
Executive Director	500	1	1	0	1.0 FTE Active
General Counsel	520	1	1	0	1.0 FTE Active
Housing Construction Specialist	1025	1	1	0	1.0 FTE Active
Housing Program Manager	540	1	1	0	1.0 FTE Active
HPSSr. Project Manager	550	1	1	0	1.0 FTE Active
Human Resources Manager	965	1	1	0	1.0 FTE Active
Mgmt. Assistant III-Finance	1030	0	1	1	1.0 FTE Active
Mgmt. Assistant III-Programs/Projects	1030	0	1	1	1.0 FTE Active
Principal Personnel Analyst	1110	1	1	0	1.0 FTE Active
Project Manager Mission Bay	590	1	1	0	1.0 FTE Active
Project Manager-Transbay	590	1	1	0	1.0 FTE Active
Record Specialist II - A	855	1	1	0	1.0 FTE Active
Senior Development Specialist-Housing	595	1	1	0	1.0 FTE Active
Senior Development Specialist-Housing	595	1	1	0	1.0 FTE Active
Senior Planner	655	1	1	0	1.0 FTE Active
Senior Programmer Analyst - A	720	1	1	0	1.0 FTE Active
Staff Associate V - A	930	1	1	0	1.0 FTE Active
Staff Associate VI	921	1	1	0	1.0 FTE Active
Sr. Financial Analyst	630	1	1	0	1.0 FTE Active
Senior Office Assistant - A	860	1	2	1	2.0 FTE Active
Development Svcs Manager	535	1	1	0	Attrition
Financial Systems Accountant	670	1	1	0	Attrition
Senior Engineer	1010	1	1	0	Attrition
Assistant Development Specialist-Mission Bay	705	1	1	0	Attrition
Senior Development Specialist Dev Services	595	1	1	0	Attrition
Senior Development Specialist-Dev Services	595	1	1	0	Attrition
Mgmt. Assistant II	1035	2	0	-2	Tx to Mgmt Assistant III
Asst. Project Manager-HPS/CP	990	1	0	-1	Tx to Senior Office Assistant
Accountant II	775	1	1	0	Vacant due to Phase of Project
Asst. Project Manager-HPS/CP	990	1	1	0	Vacant due to Phase of Project
Contract Compl. Sp. II	640	1	1	0	Vacant due to Phase of Project
Development Specialist HPS/CP	615	1	1	0	Vacant due to Phase of Project
Development Specialist-Dev Services	615	1	1	0	Vacant due to Phase of Project
Project Manager HPS/CP	590	1	1	0	Vacant due to Phase of Project
Senior Development Specialist-Mission Bay	595	1	1	0	Vacant due to Phase of Project
Senior Planner	655	1	1	0	Vacant due to Phase of Project
Staff Associate II	915	1	1	0	Vacant due to Phase of Project