

1 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the  
2 San Francisco Redevelopment Agency FY2015-2016 Budget - Bond Issuance Not to Exceed  
3 \$51,000,000]

4 **Resolution approving the FY2015-2016 Budget of the Office of Community Investment**  
5 **and Infrastructure (OCII), operating as the Successor Agency to the San Francisco**  
6 **Redevelopment Agency; and approving the Issuance by OCII of Bonds in an aggregate**  
7 **principal amount not to exceed \$51,000,000 for the purpose of financing a portion of**  
8 **enforceable obligations.**

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10 WHEREAS, The Office of Community Investment and Infrastructure (OCII), as  
11 Successor Agency to the San Francisco Redevelopment Agency, is implementing enforceable  
12 obligations and surviving redevelopment projects of the former agency in accordance with the  
13 Community Redevelopment Law, Cal. Health & Safety Code, Sections 33000 et seq., as  
14 amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code, Sections 34170  
15 et seq. (the "Law"), and with San Francisco City and County Board of Supervisors ("Board of  
16 Supervisor's) Ordinance No. 215-12; and

17 WHEREAS, OCII is a legal entity separate from the City and County of San Francisco  
18 ("City"), is subject to the governance of the City acting in its legislative capacity, and is subject  
19 to the Board of Supervisors' authority over OCII's annual budget in accordance with Cal.  
20 Health and Safety Code, Section 33606; and

21 WHEREAS, The Law requires OCII to receive approval from OCII's Oversight Board  
22 and the California Department of Finance (DOF) for its expenditures as listed in Recognized  
23 Obligation Payment Schedules (ROPS) that cover six month fiscal periods; and the Oversight  
24 Board and DOF have approved the ROPS for July 1, 2015, to December 31, 2016 ("ROPS  
25 15-16A"); and

1           WHEREAS, The Law, Cal. Health & Safety Code, Section 34177.5, and Ordinance  
2 No. 215-12 authorize the Successor Agency Commission ("OCII Commission") to issue bonds  
3 to carry out enforceable obligations, subject to approval of the OCII's Oversight Board and  
4 DOF; and

5           WHEREAS, The OCII Commission approved its annual budget for FY2015-2016 (the  
6 "Budget"), by OCII Resolution No. 25-2015 (May 5, 2015), and submitted it to the Board of  
7 Supervisors for approval; and

8           WHEREAS, OCII proposes to finance, in FY2015-2016, a portion of its enforceable  
9 obligations, but has not yet received approval from the Oversight Board and DOF for this  
10 Financing; and

11           WHEREAS, The financing program may require OCII to enter into loans and/or to issue  
12 and to refund, as necessary, or to cause to be loaned and/or issued and/or refunded on its  
13 behalf by a public finance authority, bonds, notes, or other evidence of indebtedness (such  
14 loans, bonds, notes or other evidence of indebtedness being referred to as the "Bonds") in an  
15 aggregate principal amount not to exceed \$51,000,000 for the purpose of financing a portion  
16 of the Budget and related costs of issuance, which will be repaid from and secured by the  
17 taxes allocated to and paid to OCII pursuant to the Law (and in particular but not limited to  
18 Sections 33670 - 33674) and to Section 16 of Article XVI of the California Constitution; and

19           WHEREAS, The OCII hereby requests that the Board of Supervisors grant conditional  
20 approval for the issuance of the Bonds, subject to subsequent approval of the bond issuance  
21 by the OCII Commission, Oversight Board and DOF; and

22           WHEREAS, The San Francisco Redevelopment Agency and the City and County of  
23 San Francisco (the "City") entered into Tax Increment Allocation Pledge Agreements for each  
24 of the Redevelopment Project Areas in Mission Bay North and Mission Bay South (Resolution  
25 Nos. 884-98 and 887-98) for the purpose of pledging net available tax increment from these

1 Redevelopment Project Areas to pay for the costs of public infrastructure and affordable  
2 housing; and

3 WHEREAS, The San Francisco Redevelopment Agency and the City and County of  
4 San Francisco (the "City") entered into the Transbay Redevelopment Project Tax Increment  
5 Allocation and Sales Proceeds Pledge Agreement (Ordinance No. 99-06, May 19, 2006) for  
6 the purpose of pledging net available tax increment and sales proceeds from formerly State-  
7 owned parcels in the Transbay Redevelopment Project Area to the Transbay Joint Powers  
8 Authority to pay for the costs of developing the Transbay Terminal Project; and

9 WHEREAS, The San Francisco Redevelopment Agency and the City and County of  
10 San Francisco (the "City") entered into a Tax Increment Allocation Pledge Agreement for  
11 Candlestick Point and Phase 2 of the Hunters Point Shipyard for the purpose of pledging net  
12 available tax increment to pay for the costs of public infrastructure and affordable housing  
13 (Resolution No. 349-10, Aug. 3, 2010); and

14 WHEREAS, In addition to the revenues included in the FY2015-2016 Proposed  
15 Budget, OCII may receive interest on bond proceeds; and

16 WHEREAS, In addition to the activities programmed in the FY2015-2016 Proposed  
17 Budget, OCII may have opportunities to refund existing debt at lower interest rates to reduce  
18 debt service costs; and

19 WHEREAS, OCII anticipates the sale of the Jessie Square Garage and the site of the  
20 future Mexican Museum in FY2015-2016; in accordance with the Purchase and Sale  
21 Agreement for 706 Mission Street/Mexican Museum, the buyer will deposit the purchase price  
22 into irrevocable escrow accounts for the purpose of defeasing tax-exempt bonds used to  
23 construct the Jessie Square Garage and for repaying the City and County of San Francisco  
24 for amounts owed pursuant to the Cooperation and Tax Increment Reimbursement  
25 Agreement (Jessie Square Improvements) dated January 13, 2003; and

1           WHEREAS, OCII serves as the administrator of certain Community Facilities Districts  
2 (“CFDs”) listed in Table A1 of the OCII Proposed FY2015-2016 Budget, created under the  
3 provisions of the Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of  
4 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code  
5 (known as the “Mello-Roos Act”), and is responsible to make debt service payments and  
6 make other expenditures in fulfillment of other obligations associated with the CFDs; now,  
7 therefore, be it

8           RESOLVED, By the Board of Supervisors that it does hereby approve the OCII  
9 FY2015-2016 Budget, as such Budget is shown in Exhibit “A” attached hereto and  
10 incorporated as if set forth in full herein; and, be it

11           FURTHER RESOLVED, The Board of Supervisors conditionally approves the issuance  
12 of the Bonds by OCII in the principal amount not to exceed \$51,000,000, for the purpose of  
13 financing a portion of its Budget and related costs of issuance, and the application of a portion  
14 of the proceeds of which to reimburse the OCII for amounts spent under its Budget prior to the  
15 issuance of the Bonds; provided, however, that the OCII Commission, Oversight Board and  
16 State Department of Finance subsequently approve the issuance of the Bonds; and, be it

17           FURTHER RESOLVED, That OCII is authorized to accept and expend any pledged tax  
18 increment from the Mission Bay North and South Project Areas and from the project areas  
19 covering Candlestick Point and Phase 2 of the Hunters Point Shipyard and any pledged tax  
20 increment and sales proceeds from formerly state-owned parcels in the Transbay Project  
21 Area that may be received during FY2015-2016 in excess of amounts included in the OCII  
22 FY2015-2016 Budget attached hereto as Exhibit “A,” in accordance with enforceable  
23 obligations, and subject to any approvals that are required from OCII’s Oversight Board and  
24 DOF; and, be it

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1           FURTHER RESOLVED, That OCII is authorized to take all steps necessary to ensure  
2 that the proceeds deposited into the irrevocable escrow accounts for sale of the Jessie  
3 Square Garage and the site of the future Mexican Museum are expended to fulfill the  
4 obligations of the Purchase and Sale Agreement for 706 Mission Street/Mexican Museum.

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