

1 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the
2 Redevelopment Agency of the City and County of San Francisco, FY2026-2027 Budget -
3 Issuance of Bonds - Not to Exceed \$275,000,000]

4 **Resolution approving the Fiscal Year (FY) 2026-2027 Budget of the Office of**
5 **Community Investment and Infrastructure operating as the Successor Agency to the**
6 **Redevelopment Agency of the City and County of San Francisco (“OCII” or “Successor**
7 **Agency”); and approving the Issuance by OCII of bonds in an aggregate principal**
8 **amount not to exceed \$275,000,000 for the purpose of financing a portion of OCII’s**
9 **enforceable obligations.**

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11 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and
12 County of San Francisco, commonly known as the Office of Community Investment and
13 Infrastructure (“OCII”), is implementing enforceable obligations of the Redevelopment Agency
14 of the City and County of San Francisco (“Former Agency”) in accordance with the
15 Community Redevelopment Law, Cal. Health & Safety Code, Sections 33000 et seq., as
16 amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code, Sections 34170
17 et seq. (the “Law”), and with San Francisco City and County Board of Supervisors (“Board of
18 Supervisors”) Ordinance No. 215-12 (Oct. 4, 2012); and

19 WHEREAS, OCII is a legal entity separate from the City and County of San Francisco
20 (“City”) and the Board of Supervisors approves OCII’s annual budget in accordance with Cal.
21 Health and Safety Code, Section 33606 and Ordinance No. 215-12; and

22 WHEREAS, The Law requires OCII to receive approval from the Oversight Board of the
23 City and County of San Francisco (“Oversight Board”) for its expenditures from the
24 Redevelopment Property Tax Trust Fund (RPTTF), which consists of property tax increment
25 generated from current and former redevelopment project areas; these expenditures are listed

1 in the Recognized Obligation Payment Schedules (“ROPS”), each of which covers 12-month
2 fiscal periods; on January 26, 2026, the Oversight Board approved, by Resolution 03-2026,
3 the ROPS for July 1, 2026, to June 30, 2027 (“ROPS 2026-2027”), which the California
4 Department of Finance (“DOF”) approved on April 15, 2026, subject to one adjustment; the
5 ROPS 2026-2027 lists, among other things, OCII’s total outstanding debts or obligations and
6 its expenditures for fiscal year 2026-2027; and

7 WHEREAS, The Law and Ordinance No. 215-12 authorize the Successor Agency
8 Commission (commonly known as the Commission on Community Investment and
9 Infrastructure) to authorize the Successor Agency to issue bonds to carry out enforceable
10 obligations, subject to approval of the Oversight Board and DOF; and

11 WHEREAS, The California Legislature amended the Law by enacting Senate Bill No.
12 593 (Stats. 2023, ch. 782) (codified at Cal. Health & Safety Code, Section 34177.7 (a) (1) (C)
13 et seq.) and authorizing OCII to (i) issue bonds secured by, and payable from, the portion of
14 the RPTTF that otherwise would have been distributed to the City after payment of other
15 ROPS obligations and (ii) enter into contracts or arrangements, in each case for the funding
16 and construction of the replacement of 5842 units of affordable housing that the Former
17 Agency destroyed and never replaced (the “Replacement Housing”); and

18 WHEREAS, the Law as amended, Cal. Health & Safety Code Section 34177.7(d),
19 provides that the City may subordinate its right to receive payments pursuant to paragraph (1)
20 of subdivision (a) of Section 34183 (the “Pass-Through Amount”) to the payment of debt
21 service issued by the Successor Agency to finance Replacement Housing; and

22 WHEREAS, Consistent with the expenditures approved in the ROPS 2026-2027, the
23 Successor Agency Commission approved, by Resolution No. 12-2026 (April 21, 2026), its
24 annual budget for Fiscal Year (“FY”) 2026-2027 (the “Budget”) and authorized the Executive
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1 Director to submit the Budget for review and approval to the Mayor and the Board of
2 Supervisors; and

3 WHEREAS, OCII proposes to issue bonds to finance, in FY2026-2027, a portion of its
4 enforceable obligations, but has not yet received approvals from the Oversight Board and
5 DOF for all planned issuances; and

6 WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to
7 cause to be loaned and/or issued on its behalf by a public finance authority, bonds, notes, or
8 other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness
9 being referred to as the “Bonds”) in an aggregate principal amount not to exceed
10 \$275,000,000, which will be repaid from and secured by the taxes allocated to and paid to
11 OCII pursuant to the Law and to Section 16 of Article XVI of the California Constitution; and

12 WHEREAS, OCII hereby requests that the Board of Supervisors grant conditional
13 approval for the issuance of the Bonds, subject to subsequent approval by the Successor
14 Agency Commission, the Oversight Board and DOF; and

15 WHEREAS, OCII received authority to issue bonds in an aggregate principal amount
16 not to exceed \$223,000,000 in the FY 2025-2026 budget and issued \$99,610,000 for the
17 2025 Series C Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social
18 Bonds) and plans to issue bonds for the remaining authority of \$123,390,000 to finance a
19 portion of its enforceable obligations that were delayed in FY 2025-2026; and

20 WHEREAS, The Former Agency and the City entered into Tax Increment Allocation
21 Pledge Agreements for each of the Redevelopment Project Areas in Mission Bay North
22 (Board of Supervisors Resolution No. 884-98 (Oct. 30, 1998); Agency Resolution No. 188-98
23 (Sep. 17, 2998)) and Mission Bay South (Board of Supervisors Resolution No. 887-98 (Nov.
24 2, 1998); Agency Resolution No. 193-98 (Sept. 17, 1998)) (together the “Mission Bay
25 Pledges”) for the purpose of irrevocably pledging net available tax increment from these areas

1 to pay for the costs of public infrastructure and affordable housing required in Mission Bay
2 North and Mission Bay South Project Areas; and

3 WHEREAS, The Former Agency, the City, and the Transbay Joint Powers Authority
4 (“TJPA”) entered into the Transbay Redevelopment Project Tax Increment Allocation and
5 Sales Proceeds Pledge Agreement (Board of Supervisors Ordinance No. 99-06 (May 19,
6 2006); Agency Resolution No. 13-2005 (Jan. 25, 2005)) for the purpose of irrevocably
7 pledging net available tax increment and sales proceeds from formerly State-owned parcels in
8 the Transbay Redevelopment Project Area (“Transbay Pledge”) to the TJPA to pay for the
9 costs of designing and constructing the Transbay Terminal Project; and

10 WHEREAS, The Successor Agency and the City entered into a First Amendment to the
11 Tax Increment Allocation Pledge Agreement for Candlestick Point and Phase 2 of the Hunters
12 Point Shipyard (Board of Supervisors Resolution No. 538-24 (Nov.7, 2024); Agency
13 Resolution No. 29-2024 (Sep. 3, 2024)) from the Candlestick Point area (“Zone 1”) of the
14 Bayview Hunters Point Redevelopment Project Area and from the Hunters Point Shipyard
15 Redevelopment Project Area (other than the Hunters Point Hill Residential District)
16 (“Candlestick Point-Shipyard Phase 2 Pledge”) for the purpose of pledging net available tax
17 increment to pay for the costs of public infrastructure and affordable housing required in Zone
18 1 of the Bayview Hunters Point Redevelopment Project Area and the Hunters Point Shipyard
19 Redevelopment Project Area Phase 2; and

20 WHEREAS, The total outstanding debts or obligations described in the ROPS 2026-
21 2027 require the allocation of property tax revenues (formerly tax increment revenues) from
22 the RPTTF; and

23 WHEREAS, The Budget includes, among other things, the use of property tax
24 revenues (formerly tax increment revenues) from the RPTTF to pay for certain enforceable
25 obligations consistent with the authority granted under Section 34177.7 of the California

1 Health and Safety Code and under Board of Supervisors Resolution No. 538-16 (Dec. 22,
2 2016); and

3 WHEREAS, The Budget includes, among other things, the use of property tax
4 revenues from the RPTTF that otherwise would have been distributed to the City pursuant to
5 paragraph (4) of subdivision (a) of Section 34183 to pay for certain Replacement Housing
6 expenditures consistent with the authority granted under Section 34177.7 (a) (1) (C) of the
7 California Health and Safety Code; and

8 WHEREAS, In addition to the revenues included in the Budget, OCII may receive
9 interest on bond proceeds; now, therefore, be it

10 RESOLVED, By the Board of Supervisors that it does hereby approve the Budget, as
11 shown in Exhibit A, a copy of which is on file with the Clerk of the Board of Supervisors in File
12 No. 260606 and which is declared to be a part of this Resolution and incorporated as if set
13 forth in full herein; and, be it

14 FURTHER RESOLVED, The Board of Supervisors conditionally approves: (1) the
15 issuance of the Bonds by OCII in the principal amount not to exceed \$275,000,000, which will
16 be used for the purpose of financing a portion of its Budget and related costs of issuance; (2)
17 the subordination, pursuant to Section 34177.7(d) of the California Health and Safety Code, of
18 the City's right to receive payments of the Pass-Through Amount to the payment of debt
19 service on the Bonds issued for Replacement Housing; and (3) the application of a portion of
20 the proceeds to reimburse OCII for amounts spent under its Budget prior to the issuance of
21 the Bonds; provided, however, that the Successor Agency Commission, Oversight Board and
22 DOF subsequently approve the issuance of the Bonds, in whole or in part; and, be it

23 FURTHER RESOLVED, The Board of Supervisors authorizes the Mayor, the City
24 Administrator, the Controller, and their respective designees to execute and deliver, upon the
25 request of OCII, one or more certificates, documents, or acknowledgments, consistent with

1 this Resolution, to further evidence the City's subordination of its right to receive payments of
2 the Pass-Through Amount to the payment of debt service on the Bonds issued for
3 Replacement Housing; and, be it

4 FURTHER RESOLVED, That OCII continues to have the authority to issue bonds in
5 the remaining principal amount not to exceed \$123,390,000 approved in the FY 2025-2026
6 budget, which will be used for the purpose of financing a portion of its Budget and related
7 costs of issuance; and, be it

8 FURTHER RESOLVED, That OCII is authorized to accept and expend any interest
9 earned on bond proceeds consistent with expenditures approved in the ROPS 2026-2027 and
10 this Budget.

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