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[Office of Community Investment and Infrastructure, Operating as Successor Agency to the San Francisco Redevelopment Agency FY2015-2016 Budget - Bond Issuance Not to Exceed \$51,000,0001

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mayor Lee BOARD OF SUPERVISORS



City and County of San Francisco **Tails**

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

150565

Date Passed: July 21, 2015

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

June 15, 2015 Budget and Finance Committee - CONTINUED

June 22, 2015 Budget and Finance Committee - RECOMMENDED

July 14, 2015 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 21, 2015 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Breed, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener

and Yee

Excused: 1 - Campos

File No. 150565

I hereby certify that the foregoing Resolution was ADOPTED on 7/21/2015 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board