File No. 200570 **Committee Item No.** 4
Board Item No. 26

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget & Appropriations Committee **Date** August 12, 2020

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Completed by: Linda Wong **Date** August 7, 2020
Completed by: Linda Wong **Date** September 8, 2020

FILE NO. 200570 RESOLUTION NO.

[Office of Community Investment and Infrastructure, Operating as Successor Agency to the San Francisco Redevelopment Agency, FY2020-2021 Budget - Bond Issuance Not to Exceed $15,473,823]

Resolution approving the FY2020-2021 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 $15,473,823 for the purpose of financing a portion of OCII's enforceable obligations.

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure ("OCII"), is implementing enforceable obligations of the Redevelopment Agency of the City and County of San Francisco ("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 Supervisors") Ordinance No. 215-12 (Oct 4, 2012); and

WHEREAS, OCII, is a legal entity separate from the City and County of San Francisco ("City"), but the Law requires the Board of Supervisors' to approve OCII's annual budget in accordance with Cal. Health and Safety Code Section 33606; and

WHEREAS, The Law requires OCII to receive approval from the Oversight Board of the City and County of San Francisco ("Oversight Board") for its expenditures as listed in Recognized Obligation Payment Schedules ("ROPS"), which covers twelve-month fiscal periods; and

WHEREAS, On January 27, 2020, the Oversight Board approved, by Resolution 1-2020, the ROPS for July 1, 2020 to June 30, 2021 ("ROPS 20-21"), which the California Department of Finance ("DOF") approved on April 15, 2020, subject to several adjustments; and

WHEREAS, The ROPS lists, among other things, OCII's total outstanding debts or obligations and its expenditures for FY2020-2021; and

WHEREAS, The Law 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, Consistent with the expenditures approved in the ROPS, the Successor Agency Commission (commonly known as the Commission on Community Investment and Infrastructure) approved, by Resolution No. 14-2020 (June 16, 2020), its annual budget for Fiscal Year ("FY") 2020-2021 (the "Budget") and authorized the Executive Director to submit the Budget for review and approval to the Mayor and the Board of Supervisors; and

WHEREAS, OCII proposes to issue bonds to finance, in FY2020-2021, a portion of its enforceable obligations, but has not yet received approval from the Oversight Board and DOF for this bond financing; and

WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to cause to be loaned and/or issued 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 $15,473,823, which will be repaid from and secured by the taxes allocated to and paid to OCII pursuant to the Law and to Section 16 of Article XVI of the California Constitution; and

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

WHEREAS, The Former Agency and the City entered into Tax Increment Allocation Pledge Agreements for each of the Redevelopment Project Areas in Mission Bay North (Board of Supervisors Resolution No. 884-98 (Oct. 30, 1998); Agency Resolution No. 188-98 (Sep. 17, 1998)) and Mission Bay South (Board of Supervisors Resolution No. 887-98 (Nov. 2, 1998); Agency Resolution No. 193-98 (Sep. 17, 1998)) (together the "Mission Bay Pledges") for the purpose of irrevocably pledging net available tax increment from these areas to pay for the costs of public infrastructure and affordable housing required in Mission Bay North and Mission Bay South Project Areas; and

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

WHEREAS, The Former Agency and the City entered into a Tax Increment Allocation Pledge Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard (Board of Supervisors Resolution No. 349-10 (Aug. 3, 2010); Agency Resolution No. 69-2010 (June 3, 2010)) from the Candlestick Point area (Zone 1) of the Bayview Hunters Point Redevelopment Project Area and from the Hunters Point Shipyard Redevelopment Project Area (other than the Hunters Point Hill Residential District) ("Candlestick Point-Shipyard

Phase 2 Pledge") for the purpose of pledging net available tax increment to pay for the costs of public infrastructure and affordable housing required in Zone 1 of the Bayview Hunters Point Redevelopment Project Area and the Hunters Point Shipyard Redevelopment Project Area Phase 2; and

WHEREAS, The total outstanding debts or obligations described in the ROPS and various enforceable obligations support the allocation of property tax revenues (formerly tax increment revenues) under the Mission Bay Pledges, the Transbay Pledge, and the Candlestick Point-Shipyard Phase 2 Pledge; and

WHEREAS, The Budget includes, among other things, the use of property tax revenues (formerly tax increment revenues) from various project areas of the Former Agency to pay for certain enforceable obligations consistent with the authority granted under Section 34177.7 of the California Health and Safety Code and under Board of Supervisors Resolution No. 538-16 (Dec. 22, 2016); and

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

WHEREAS, OCII serves as the administrator of certain Community Facilities Districts ("CFDs") listed in Exhibit A1 of the Budget and 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"), is obligated to receive revenues, make debt service payments and make other expenditures in fulfillment of other obligations associated with the CFDs and has separately approved the FY2020-2021 budget for the CFDs; now, therefore, be it

RESOLVED, By the Board of Supervisors that it does hereby approve the Budget, as 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 $15,473,823, which will be used in FY2020-2021 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 Successor Agency Commission, Oversight Board and DOF 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 project areas covered by the Mission Bay Pledges, the Transbay Pledge, and the Candlestick Point-Shipyard Phase 2 Pledge that may be received during FY2020-2021 in excess of amounts included in the 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 accept and expend any interest earned on bond proceeds.

Exhibit A: OCII Proposed FY2020-2021 Budget

Exhibit A

Proposed

FY20-21 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 Office of Community Investment & Infrastructure ("OCII") is the Successor Agency to the SFRA.

OCII is charged with completing work related to approved enforceable obligations. Those enforceable obligations are related to: (1) the Projects defined in BOS Ordinance No. 215-12 as the Mission Bay North and South Projects, the Transbay Project, and the Hunters Point Shipyard/Candlestick Point Project; (2) management of SFRA assets, existing economic development agreements such as loans, grants, or owner participation agreements, and other real property and assets of SFRA that must be wound down under the Dissolution Law; and (3) OCII's Retained Affordable Housing Obligations.

Governance

Ordinance 215-12 establishes the Successor Agency Commission as the main governing body of OCII. 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.

Dissolution Law requires there be a governing body known as an Oversight Board ("OB"). 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 group of former OCII employees. 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 the Community Redevelopment Law, as amended by Dissolution Law, the BOS, in its capacity as the legislative body for CCSF, must still approve OCII's annual budget (Cal Health & Safety Code § 33606). Accordingly, the OCII's budget must be approved first 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 FY20-21 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 FY20-21 program highlights.

Mission Bay

The project areas of Mission Bay North and Mission Bay South, together referred to as Mission Bay, were established in 1998 to create a vibrant transit-oriented and mixed-use community that will result in 6,514 residential units (29 percent of which will be affordable), 4 million square feet of office and biotechnology space, 560,000 square feet of retail uses, a new University of California San Francisco ("UCSF") research campus and medical center including a 550-bed hospital, 18,000-seat event center, 250-room hotel, library, school, police headquarters, and a local police and fire department. Mission Bay also contain 49 acres of open space, approximately 41 of which are owned by the City (master leased by and managed by OCII) 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 an Owner Participation Agreement. OCII reimburses the developer for constructed infrastructure. OCII is responsible for approving the land uses and designs of both the public and private development projects and directly funds affordable housing in Mission Bay. Completion of the Mission Bay Project is anticipated in six to 10 years and will result in construction of more than $900 million of new infrastructure, development of over $8 billion in private vertical development, and creation of 31,000 permanent jobs.

To date 5,908 residential units, 3.375 million square feet of office and biotechnology space, 540,000 square feet of retail uses, a 550-bed hospital, an 18,000-seat event center, 60 percent of the UCSF research campus and 30 acres of open space have been built. In FY20-21, OCII will continue to reimburse the master developer for completed infrastructure using a combination of tax allocation bond proceeds, property tax increment, and Community Facility District ("CFD") funds. OCII will also monitor the construction of 293 affordable housing units on Blocks 6W and 9, fund a stand-alone affordable housing project on Block 9a, continue to review designs and permits for open spaces and private commercial development, and plan for the use of public art fees contributed by various developers. Four parks will complete construction in FY20-21, and OCII will incorporate these completed parks into OCII's existing contract with a third party parks

manager, which is funded through maintenance CFD #5. In FY20-21, the Uber Headquarters, which is comprised of four office towers totaling over 1 million square feet of office space, will finish construction including tenant improvements. Additionally, UCSF will complete construction of a new medical building and begin construction of another. The 250-room hotel at Block 1, which is currently seeking entitlement to add 49 rooms, will complete construction in FY20-21.

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. The Transbay Project consists of two zones: Zone 1 is under the land use authority of OCII and consists of twelve blocks of land, of which eleven were formerly owned by the State, while Zone 2 is under the City Planning Department's jurisdiction. OCII is responsible for funding the design and construction of several new parks, streetscape improvements on Folsom Street, selling designated former State-owned parcels to fund construction of the Salesforce Transit Center, and forming partnerships with for-profit and non-profit developers to provide housing on the blocks, including directly funding a significant amount of affordable housing. Thirty-five percent of all new housing units in the entire Transbay Area will be affordable. When Zone 1 is fully built out, there will be approximately 3,200 residential units (of which 43 percent will be affordable), 800,000 square feet of office, 75,000 square feet of retail, and 3.5 acres of open space.

In FY20-21, all of the office space and 1,267 residential units will be complete, 929 units will be in construction, and 930 units will be in the planning phase. OCII will continue to monitor the two projects in construction (Blocks 9 and 1), both of which are mixed-income projects with anticipated completion during FY19-20. The 930 units in the planning phase consist of two projects that will occupy each end of the current Temporary Bus Terminal. First, a large mixed-income residential project on Block 4, which may require amendments to the Redevelopment Plan and associated design controls to allow for maximum efficiency of the site. Second, a stand-alone affordable housing on Block 2 subsidized by OCII. OCII is in negotiations with a development team on Block 4 and anticipates seeking a development team for Block 2 in FY20-21.

Regarding infrastructure development, in FY20-21 OCII will disburse funds through an existing contract with San Francisco Public Works ("SFPW") for a major streetscape construction project on Folsom Street between Essex and Spear Streets. OCII will also disburse funds through existing contracts with SFPW and third party design consultants to facilitate the design and predevelopment activities associated with two future parks: the 2.4 acre Under-ramp Park, which will be located underneath the Fremont off-ramp and the bus ramp to the Salesforce Transit Center, and the 1-acre Transbay Park that will be located in the middle section of the current Temporary Bus Terminal (Block 3).

Hunters Point Shipyard and Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project is composed of approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the Shipyard Redevelopment Plan in 1997 and amended it in 2010, along with the Bayview Hunters Point Redevelopment Plan. These amendments added Candlestick Point to the Project, to facilitate integrated development of the Hunters Point Shipyard and Candlestick Point Projects. Hunters Point Shipyard will be developed in two distinct phases by different master developers: 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 more than 12,100 units of housing (of which approximately one-third will be affordable), 326 acres of parks, over 4.4 million square feet of commercial space, and approximately $89 million of community benefits such as homeowner assistance, workforce development, job training, educational assistance, and contributions to South East Health Center.

To date, a total of 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. At Hunters Point Shipyard Phase 1, OCII will begin construction on two OCII funded affordable housing projects totaling over 112 units on Blocks 52/54, and complete schematic designs on an additional 73 affordable units on Block 56, while also working with Lennar and a third party Community Builder on predevelopment activities for multiple mixed-income residential projects on Blocks 1 and 48. OCII will continue to work with Lennar to facilitate the completion and acceptance of new open spaces at Hunters Point Shipyard Phase 1 and will seek to enter into a contract with a third party parks manager funded through maintenance CFD #8. OCII owns the artists' studio building known as "Building 101" and will continue to implement an existing contract with SFPW, which is funded by a federal Economic Development Administration grant, to design and implement significant upgrades to this artists' building.

At Candlestick Point, OCII staff will work with FivePoint and various City departments to approve infrastructure permits and Final Maps necessary to transform the former 22-acre Candlestick stadium site into a new mixed-use development with a combination of office, retail, hotel, film and arts center, and affordable senior housing development. Both Lennar and FivePoint have made significant monetary contributions in accordance with their Community Benefits Agreements, and OCII anticipates funding multiple contracts for scholarships, homeownership assistance, and other economic development programs in FY 20-21.

Year-Over-Year Comparison and Budget Summary

As shown in Exhibit 1, the proposed FY20-21 budget of $527.3 million represents an increase of

$5.9 million from the FY19-20 budget of $521.3 million. Of this amount, $301.4 million in uses is new budget authority and $225.9 million is Prior Period Authority carried forward from FY19-20. 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.

Year-over-year ("YOY") changes to current year revenue sources compared to FY19-20 are primarily due to an increase in pledged property tax and fund balance. These increases are offset by a decrease in new bonds due to a deferred issuance of a housing bond and a decrease in Prior Period Authority due to spending down on existing housing loans.

Changes to current year uses compared to FY19-20 are primarily due to an increase in infrastructure reimbursements and payments made to reduce outstanding Mello Roos debt in Mission Bay North. These increases are offset by a decrease in affordable housing loans as OCII continues to pay down three loans made in prior years. FY20-21 uses have also decreased due to the drawing down of construction funds in Transbay and the transfer of South Beach Harbor.

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Exhibit 1: Proposed FY20-21 Budget Compared to FY19-20 Budget, *Millions**

	FY19-20 Budgeted	FY20-21 Proposed	YOY Difference
Sources			
Property Tax Increment - TAB Debt Service	$ 74.6	$ 63.2	$ (11.4)
Property Tax Increment - Debt Portfolio	$ 2.3	$ 2.3	$ 0.1
Property Tax Increment - Mission Bay	$ 47.9	$ 49.4	$ 1.5
Property Tax Increment - HPS2/CP	$ 0.3	$ 1.0	$ 0.6
Property Tax Increment - State Owned TBY	$ 8.9	$ 21.7	$ 12.8
Property Tax Increment - Other	$ 5.7	$ 7.9	$ 2.2
Property Tax Increment - ACA	$ 4.4	$ 4.5	$ 0.0
Subtotal CY Property Tax Increment	**$ 144.1**	**$ 149.9**	**$ 5.9**
New Bonds - Housing	$ 25.4	$ -	$ (25.4)
New Bonds - Infra	$ 15.3	$ 15.5	$ 0.2
Subtotal CY New Bonds	**$ 40.7**	**$ 15.5**	**$ (25.2)**
Developer Payments	$ 16.7	$ 16.5	$ (0.2)
Subtotal CY Developer Payments	**$ 16.7**	**$ 16.5**	**$ (0.2)**
Rent & Lease Revenue	$ 0.9	$ 2.3	$ 1.3
Loan Repayments	$ 5.9	$ -	$ (5.9)
Payments from Other Gov Entities	$ 4.4	$ 4.0	$ (0.4)
Hotel Tax	$ 4.5	$ 4.5	$ (0.0)
Subtotal CY Other	**$ 15.8**	**$ 10.8**	**$ (5.0)**
Fund Balance - Housing	$ 74.1	$ 97.3	$ 23.2
Fund Balance - Non-Housing	$ 6.6	$ 11.4	$ 4.8
Subtotal CY Fund Balance	**$ 80.7**	**$ 108.7**	**$ 28.0**
Prior Period Authority - Housing	$ 67.4	$ 24.9	$ (42.5)
Prior Period Authority - Non-Housing	$ 156.0	$ 201.0	$ 45.0
Subtotal CY Prior Period Authority	**$ 223.4**	**$ 225.9**	**$ 2.5**
Total CY Sources	**$ 521.3**	**$ 527.3**	**$ 5.9**
Uses			
Uses - Operations			
Operational Salaries and Benefits	$ 9.3	$ 10.4	$ 1.0
Affordable Housing Services	$ 1.8	$ 1.4	$ (0.4)
Rent	$ 0.7	$ 1.1	$ 0.4
Retiree Health and Pension Costs	$ 3.9	$ 4.2	$ 0.2
Auditing & Accounting Services	$ 0.2	$ 0.3	$ 0.0
Legal Services	$ 1.4	$ 1.4	$ 0.1
Planning & Infrastructure Rvw	$ 5.4	$ 6.7	$ 1.3
Real Estate Development Services	$ 0.2	$ 0.1	$ (0.1)
Workforce Development Services	$ 0.4	$ 0.4	$ (0.0)
Other Professional Services	$ 3.6	$ 4.6	$ 1.0
Grants to Community-Based Organizations	$ 1.7	$ 2.4	$ 0.8
Payments to Other Public Agencies	$ 6.3	$ 0.4	$ (6.0)
Other Current Expenses	$ 1.1	$ 1.2	$ 0.1
Subtotal CY Uses - Operations	**$ 36.1**	**$ 34.6**	**$ (1.5)**
Uses - Non-Operations			
Affordable Housing Loans	$ 98.9	$ 96.8	$ (2.1)
Development Infrastructure	$ 149.1	$ 196.8	$ 47.7
Pass-through to TJPA	$ 8.6	$ 21.1	$ 12.5
Debt Service - OCII TAB Bonds	$ 101.9	$ 97.3	$ (4.6)
Public Art	$ 1.1	$ 1.1	$ 0.0
Other Debt	$ 7.6	$ 19.9	$ 12.3
Subtotal CY Uses - Non-Operations	**$ 367.2**	**$ 433.1**	**$ 65.8**
Prior Period Authority - Housing	$ 67.4	$ 24.9	$ (42.5)
Prior Period Authority - Non-Housing	$ 50.6	$ 34.7	$ (15.8)
Subtotal CY Prior Period Authority	**$ 118.0**	**$ 59.6**	**$ (58.4)**
Total CY Uses	**$ 521.3**	**$ 527.3**	**$ 5.9**
Sources vs. Uses	$ -	$ -	$ -

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

As shown in Exhibit 2, of the $362.2 million budgeted to direct programmatic needs, OCII will expend $122.2 million on affordable housing, $237.5 million on infrastructure and other non-housing activities, and $2.5 million on community development and workforce activities. These expenditures will draw primarily from Fund Balance and Prior Period Authority ("PPA"). Fund Balance reflects funds received in a prior year that OCII is budgeting for the first time in FY20-21. PPA reflects budget approved in prior years that OCII will expend over time.

Exhibit 2: Proposed FY20-21 Budget Programmatic Summary, *Millions

Sources	Property Tax	Developer Payments	New Bonds - Infra	Rent & Lease Revenue	Fund Balance	Prior Period Authority	Other	Total	*Percent*
Uses									
Direct Program Spending									
Affordable Housing	$ -	$ -	$ -	$ -	$ 97.3	$ 24.9	$ -	$ 122.2	*23.2%*
Infrastructure & Other Non-Housing	$ 23.8	$ 9.4	$ 15.0	$ -	$ 3.1	$ 186.3	$ -	$ 237.5	*45.1%*
Comm Dev & Workforce	$ -	$ 0.3	$ -	$ -	$ 2.2	$ -	$ -	$ 2.5	*0.5%*
Direct Programmatic Subtotal	**$ 23.8**	**$ 9.7**	**$ 15.0**	**$ -**	**$ 102.6**	**$ 211.1**	**$ -**	**$ 362.2**	*68.7%*
Indirect Program Spending									
Asset Management	$ 0.4	$ -	$ -	$ -	$ -	$ -	$ 3.9	$ 4.4	*0.8%*
Project Mgmt & Operations	$ 13.6	$ 6.3	$ 0.2	$ 0.4	$ -	$ -	$ 0.1	$ 20.6	*3.9%*
Debt	$ 91.1	$ 0.5	$ 0.3	$ 1.5	$ 6.1	$ 14.7	$ 4.5	$ 118.6	*22.5%*
TJPA Enforceable Obligation	$ 21.1	$ -	$ -	$ -	$ -	$ -	$ -	$ 21.1	*4.0%*
Other	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ -	$ 0.4	*0.1%*
Indirect Programmatic SubTotal	**$ 126.2**	**$ 6.8**	**$ 0.5**	**$ 2.3**	**$ 6.1**	**$ 14.7**	**$ 8.5**	**$ 165.1**	*31.3%*
Total	**$ 149.9**	**$ 16.5**	**$ 15.5**	**$ 2.3**	**$ 108.7**	**$ 225.9**	**$ 8.5**	**$ 527.3**	*100.0%*

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

In order to support the delivery of these direct programmatic activities, the Proposed FY20-21 Budget includes funding for indirect program expenditures, such as asset management, project management and operations, debt service, and pass-through of pledged property tax to the Transbay Joint Powers Authority ("TJPA"). Exhibit 2 shows a total of $165.1 million budgeted to these indirect programmatic expenditures, which are primarily supported through property tax and developer payments.

Exhibit 3 shows the total Proposed FY20-21 Budget of $527.3 million by Project 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 FY20-21 Budget by Project Area/Cost Center, *Millions**

	Operations	Debt	HPS / CP	MBN	MBS	TBY	Other	Total
Sources								
Property Tax Increment - TAB Debt Service	$ -	$ 63.2	$ -	$ -	$ -	$ -	$ -	$ 63.2
Property Tax Increment - Debt Portfolio	$ -	$ 2.3	$ -	$ -	$ -	$ -	$ -	$ 2.3
Property Tax Increment - Mission Bay	$ -	$ 26.1	$ -	$ 0.4	$ 22.9	$ -	$ -	$ 49.4
Property Tax Increment - HPS2/CP	$ -	$ -	$ 1.0	$ -	$ -	$ -	$ -	$ 1.0
Property Tax Increment - State Owned TBY	$ -	$ -	$ -	$ -	$ -	$ 21.7	$ -	$ 21.7
Property Tax Increment - Other	$ 4.5	$ -	$ 0.9	$ -	$ -	$ 2.3	$ 0.1	$ 7.9
Property Tax Increment - ACA	$ 4.5	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.5
Subtotal CY Property Tax Increment	**$ 9.0**	**$ 91.6**	**$ 1.9**	**$ 0.4**	**$ 22.9**	**$ 24.0**	**$ 0.1**	**$ 149.9**
New Bonds - Infra	$ -	$ 0.5	$ 15.0	$ -	$ -	$ -	$ -	$ 15.5
Subtotal CY New Bonds	**$ -**	**$ 0.5**	**$ 15.0**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15.5**
Developer Payments	$ -	$ 0.5	$ 13.0	$ 0.0	$ 0.6	$ 2.3	$ 0.1	$ 16.5
Subtotal CY Developer Payments	**$ -**	**$ 0.5**	**$ 13.0**	**$ 0.0**	**$ 0.6**	**$ 2.3**	**$ 0.1**	**$ 16.5**
Rent & Lease Revenue	$ 0.4	$ 1.5	$ 0.4	$ -	$ -	$ -	$ -	$ 2.3
Payments from Other Gov Entities	$ 0.1	$ -	$ 3.9	$ -	$ -	$ -	$ -	$ 4.0
Hotel Tax	$ -	$ 4.5	$ -	$ -	$ -	$ -	$ -	$ 4.5
Subtotal CY Other	**$ 0.5**	**$ 6.0**	**$ 4.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10.8**
Fund Balance - Housing	$ -	$ -	$ 51.2	$ -	$ 39.0	$ 7.0	$ -	$ 97.3
Fund Balance - Non-Housing	$ -	$ 6.1	$ 2.4	$ -	$ 1.1	$ 1.9	$ -	$ 11.4
Subtotal CY Budget Sources	**$ -**	**$ 6.1**	**$ 53.6**	**$ -**	**$ 40.2**	**$ 8.9**	**$ -**	**$ 108.7**
Prior Period Authority - Housing	$ -	$ -	$ 5.7	$ -	$ 19.2	$ -	$ -	$ 24.9
Prior Period Authority - Non-Housing	$ -	$ 1.4	$ -	$ 42.7	$ 115.6	$ 23.9	$ 17.4	$ 201.0
Subtotal CY Sources - Prior Period Authority	**$ -**	**$ 1.4**	**$ 5.7**	**$ 42.7**	**$ 134.8**	**$ 23.9**	**$ 17.4**	**$ 225.9**
Total CY Sources	**$ 9.5**	**$ 106.0**	**$ 93.5**	**$ 43.2**	**$ 198.5**	**$ 59.1**	**$ 17.6**	**$ 527.3**
Uses								
Uses - Operations								
Allocated Staff & Operating Expenses	$ (11.1)	$ 0.7	$ 4.3	$ 0.4	$ 2.7	$ 2.7	$ 0.2	$ 0.0
Operational Salaries and Benefits	$ 10.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 10.4
Affordable Housing Services	$ 1.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.4
Rent	$ 1.1	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.1
Retiree Health and Pension Costs	$ 4.2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.2
Auditing & Accounting Services	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.3
Legal Services	$ 0.3	$ -	$ 1.0	$ -	$ -	$ 0.1	$ -	$ 1.4
Planning & Infrastructure Rvw	$ 0.1	$ -	$ 6.5	$ -	$ -	$ -	$ -	$ 6.7
Real Estate Development Services	$ 0.1	$ -	$ 0.0	$ -	$ -	$ -	$ -	$ 0.1
Workforce Development Services	$ 0.3	$ -	$ 0.1	$ -	$ -	$ -	$ -	$ 0.4
Other Professional Services	$ 1.2	$ -	$ 1.4	$ -	$ 1.4	$ 0.8	$ -	$ 4.6
Grants to Community-Based Organizations	$ -	$ -	$ 2.4	$ -	$ -	$ -	$ -	$ 2.4
Payments to Other Public Agencies	$ -	$ -	$ 0.4	$ -	$ -	$ -	$ -	$ 0.4
Other Current Expenses	$ 1.2	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.2
Subtotal CY Uses - Operations	**$ 9.5**	**$ 0.7**	**$ 16.1**	**$ 0.4**	**$ 4.1**	**$ 3.6**	**$ 0.2**	**$ 34.6**
Uses - Non-Operations								
Affordable Housing Loans	$ -	$ -	$ 51.2	$ -	$ 38.5	$ 7.0	$ -	$ 96.8
Development Infrastructure	$ -	$ -	$ 16.1	$ 29.3	$ 135.6	$ 8.0	$ 7.8	$ 196.8
Pass-through to TJPA	$ -	$ -	$ -	$ -	$ -	$ 21.1	$ -	$ 21.1
Debt Service - OCII TAB Bonds	$ -	$ 97.3	$ -	$ -	$ -	$ -	$ -	$ 97.3
Public Art	$ -	$ -	$ -	$ -	$ 1.1	$ -	$ -	$ 1.1
Other Debt	$ -	$ 6.6	$ -	$ 13.4	$ -	$ -	$ -	$ 19.9
Subtotal CY Uses - Non-Operations	**$ -**	**$ 103.9**	**$ 67.3**	**$ 42.7**	**$ 175.3**	**$ 36.1**	**$ 7.8**	**$ 433.1**
Prior Period Authority - Housing	$ -	$ -	$ 5.7	$ -	$ 19.2	$ -	$ -	$ 24.9
Prior Period Authority - Non-Housing	$ -	$ 1.4	$ 4.4	$ -	$ -	$ 19.4	$ 9.6	$ 34.7
Subtotal CY Uses - Prior Period Authority	**$ -**	**$ 1.4**	**$ 10.1**	**$ -**	**$ 19.2**	**$ 19.4**	**$ 9.6**	**$ 59.6**
Total CY Uses	**$ 9.5**	**$ 106.0**	**$ 93.5**	**$ 43.2**	**$ 198.5**	**$ 59.1**	**$ 17.6**	**$ 527.3**
Sources vs. Uses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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

As shown in Exhibit 3, Mission Bay South expenditures are the largest cost center in OCII's budget, reflecting the project area's maturity relative to other project areas. These expenditures are primarily for affordable housing loans and infrastructure reimbursements. Debt reflects the second largest cost center as OCII continues to manage a portfolio of 18 bonds. HPS/CP is the third largest cost center, reflecting affordable housing projects and continued construction of the parks and infrastructure in the project area.

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 these 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 FY20-21.

FY20-21 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; however, three projects are anticipated to seek or finalize approvals for additional entitlements in FY20-21. These projects are: a hotel and residential project proposed by the Golden State Warriors on Blocks 29-30, a commercial office building proposed by Alexandria Real Estate on the vacant land at 1450 Owens St, and additional hotel room entitlement by SOMA Hotel at the Block 1 hotel project that is already in construction. In addition, OCII will finalize discussions with the San Francisco Arts Commission on how to program the public art fees paid by various developers pursuant to the Redevelopment Plan requirements.

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 supports the developments in the Transbay Project. OCII will utilize an existing contract with a third party design consultant to prepare schematic designs for Under-ramp Park. As this park will be owned by the TJPA, OCII will seek final design approvals from the TJPA Board of Directors as well as the OCII Commission, and utilize an existing contract with SFPW to prepare the project for construction bidding. Planning work for Transbay Park will continue in FY20-21. OCII will utilize an existing contract with SFPW to design this park. OCII anticipates formal schematic design approvals in FY20-21.

Hunters Point Shipyard/Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project is composed of two phases, Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point. Hunters Point Shipyard Phase 1 is composed of two areas, Hilltop and Hillside. While the majority of the infrastructure in the Hilltop portion of Phase 1 is complete, the Hillside portion is scheduled to begin site work in FY20-21. Activity in the Hunters Point Shipyard Phase 2/Candlestick Project will focus on the Candlestick Point, specifically the former Candlestick Park stadium site. OCII will work closely with FivePoint and many City agencies through several work orders to review these proposed plans

and recommend necessary actions to the Commission and other approval bodies in FY20-21.

FY20-21 Infrastructure and Non-Housing Completions

There are a number of infrastructure projects in active planning or construction. Due to project timing, a limited number of these projects will achieve completion in FY20-21. Three small parks will complete construction in Mission Bay, and seven park projects will complete construction in Hunters Point Shipyard Phase 1. In Transbay, construction of the Folsom Street Improvement Project was scheduled to be complete in FY20-21, but SFPW has encountered delays and construction will not be complete until FY21-22. Exhibit 4 summarizes anticipated infrastructure project completions.

Exhibit 4: FY20-21 Infrastructure & Non-Housing Project Completions

	Mission Bay	Transbay	HPS/CP	**Total**
Parks and Open Space Projects	3	0	7	**10**

FY20-21 Infrastructure Funding

OCII anticipates expending $237.5 million on infrastructure in FY20-21, using the sources shown in Exhibit 5. Of the amount shown in Exhibit 5, OCII will spend $196.8 million on development infrastructure reimbursements and $11.7 million on support services. A small portion of developer infrastructure reimbursements will be reimbursed by Community Facilities District proceeds, which is discussed further in Appendix A-1. The remaining expenditures draw from multi-year project funding is reflected in PPA.

Exhibit 5: FY20-21 Infrastructure & Non-Housing Sources by Uses, *Millions*

Sources Uses	Developer Payments	New Bonds	Property Tax	Fund Balance	Prior Period	Total by Use
Other Professional Services	*$1.8*		*$1.2*			*$3.0*
Planning & Infrastructure Rvw	*$6.5*					*$6.5*
Legal Services	*$1.1*		*$0.0*			*$1.1*
Public Art				*$1.1*		*$1.1*
Support Services Subtotal	$9.4	$0.0	$1.2	$1.1	$0.0	**$11.7**
Development Infrastructure Reimbursements Subtotal		$15.0	$22.6	$2.0	$157.2	**$196.8**
Prior Period Authority - Non-Housing Subtotal				$0.0	$29.0	**$29.0**
Total by Source	**$9.4**	**$15.0**	**$23.8**	**$3.1**	**$186.2**	**$237.5**

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. Exhibit 6 shows OCII's total housing production obligation of 21,820 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. By the start of FY20-21, OCII anticipates that a total of 8,946 housing units will be complete across the Projects.

Exhibit 6: Total Housing Production, as of July 1, 2020

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
Completed	2,964	2,944	2,196	505	337	8,946
In Construction		152				152
Predevelopment		281	683	593	1,263	2,820
Preliminary Planning		173	247	294	1,225	1,939
Future Development			80	36	7,847	7,963
Total by Project	**2,964**	**3,550**	**3,206**	**1,428**	**10,672**	**21,820**

Of the 21,820 total housing units shown in Exhibit 6, OCII's development agreements require the agency to produce over 7,000 affordable housing units, over 60 percent of which will be funded by OCII. The OCII-funded units are known as OCII's Retained Affordable Housing Production Obligation, shown in Exhibit 7, by Project Area.

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

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
Completed	409	612	466		337	1824
In Construction		152				152
Predevelopment		289		112	332	733
Preliminary Planning		173	247	70	227	717
Future Development			80	36	748	864
Total By Project	**409**	**1226**	**793**	**218**	**1644**	**4290**

FY 20-21 Housing Completions

In FY20-21, 152 housing units will complete in OCII's Project Areas. These completions are comprised of OCII-funded affordable units in Mission Bay South. There are no completions scheduled of OCII-funded affordable, inclusionary affordable, or market rate units in Mission Bay

North, Transbay, Hunters Point Shipyard Phase 1, and Hunters Point Shipyard Phase2/Candlestick Point. Exhibit 8 provides a breakdown of projected completions by Project.

Exhibit 8: Housing Production, FY20-21 Projected Completions

	Mission Bay South	Total
Project	*Block 6W*	
Housing Type		
OCII Funded Affordable Units	152	152
Inclusionary Affordable Units		
Market Rate Units		
FY 20-21 Total Completions	**152**	**152**

FY20-21 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% or 50% 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 loans and constructions.

To fulfill its production obligation, OCII anticipates expending $122.5 million in FY20-21, as shown in Exhibit 9. Of this amount, OCII will expend $96.8 million on new affordable housing loans, $24.9 million on existing loans, and $0.8 million on professional services. An additional $0.3 million is integrated into the proposed budget for Operations shown in Exhibit 2 and also included in Exhibit 9.

Exhibit 9: OCII-Funded Affordable Housing Program, FY20-21 Sources by Uses, *Millions*

Sources / Uses	Fund Balance	Prior Period Authority	Total by Use
New Affordable Housing Loans	$96.8		$96.8
Existing Affordable Housing Loans		$24.9	$24.9
Professional Services	$0.8		$0.8
Total by Source	**$97.6**	**$24.9**	**$122.5**

In FY 20-21, OCII will fund five new new housing loans. Exhibit 10 below lists three predevelopment loans and two construction loans. These loans will result in construction of housing that serves a wide variety of housing needs, including family rental units, first time homeownership units, and senior and supportive housing units. Exhibit 10 provides a breakdown of the new OCII-funded affordable housing loans by housing type.

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

	Family Rental	Senior Rental Housing	Supportive Housing	Total
Mission Bay South Block 9 Predevelopment/Construction			*$35.0*	*$35.0*
Mission Bay South Block 12W Predevelopment	*$3.5*			*$3.5*
Transbay 2E and 2W Predevelopment	*$3.5*	*$3.5*		*$7.0*
Hunters Point Shipyard Phase 1, Blocks 52/54 Construction	*$47.7*			*$47.7*
Hunters Point Shipyard Phase 1, Block 56 Predevelopment	*$3.5*			*$3.5*
Total	$58.2	$3.5	$35.0	$96.8

In addition to the $96.8 million in new affordable housing loans, OCII will expend $24.9 million on existing affordable housing loans. Exhibit 11 shows affordable housing projects receiving continuing funding in FY20-21 and indicates the housing type for each project.

Exhibit 11: OCII-Funded Existing Affordable Housing by Housing Type, *Millions*

	Family Rental	Family Ownership	Total
HPS Block 52/54 Predevelopment	$2.3		$2.3
CP Block 11a Predevelopment	$1.2		$1.2
CP Block 10a Predevelopment	$1.6		$1.6
Alice Griffith 4 Construction	$0.5		$0.5
MBS 6E Construction	$1.6		$1.6
MBS 6W Construction	$14.1		$14.1
MBS 9a Predevelopment		$3.5	$3.5
Total	$21.3	$3.5	$24.8

5. Community and Workforce Development

OCII has multiple agreements through which developers make financial contributions for community benefits and economic development grants and programs. The most significant of these agreements exist for the Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point Projects. Both projects have a Community Benefits Agreement that identifies milestones at which the master developer is obligated to make community benefits payments to OCII. OCII programs and expends these funds to benefit the community.

In Hunters Point Shipyard/Candlestick Point, OCII plans to execute contracts with third party partners to implement community benefits programs for educational uses, homeownership assistance, contractor assistance, and other neighborhood building, wellness and economic development efforts.

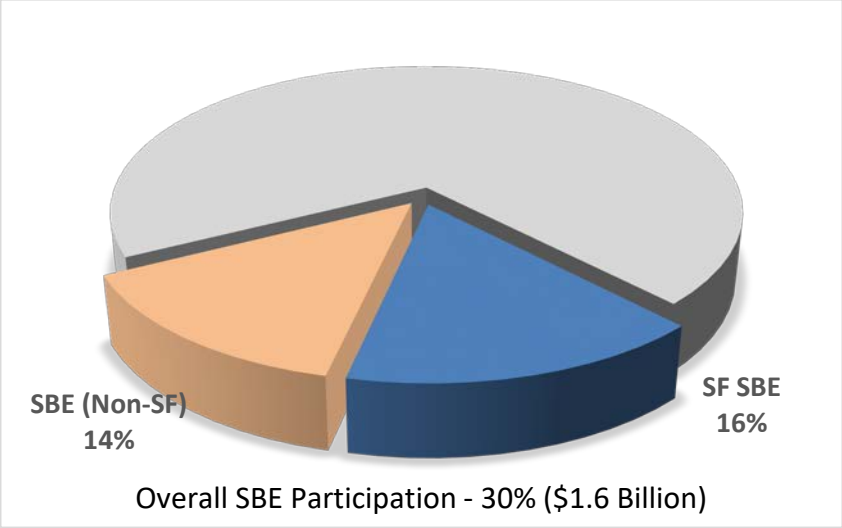
Community Development and Workforce

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. 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 $5.5 billion in contracts with over $1.6 billion or 30 percent credited to small business enterprises ("SBE"s). Of this amount, $877 million, or 16 percent of all awards and 53 percent of SBE awards, is attributed to San Francisco-based small businesses. Minority and women-owned businesses have also participated in a significant manner with over $875 million in contracts or nearly 16 percent of all awards, reflecting the ethnic and gender diversity of the region. As an economic driver, OCII's SBE program has benefited over 1,000 local and small businesses since 2012. In FY20-21, OCII will continue to promote small business contracting and facilitate economic development.

Exhibit 12: SBE Participation on OCII-Administered Contracts, 2012-2019



In addition to small business contracting, OCII has a robust workforce development program to hire local residents. Since 2012, over 45,610 workers (of which 6,720 are San Francisco residents) have performed over 16 million construction hours on OCII-administered projects. Local residents performed nearly 3.2 million hours or 20 percent of the total, garnering $139 million in wages. For FY20-21, OCII will continue to implement its local construction hiring program to ensure local residents have employment opportunities on OCII-administered projects.

Besides construction hiring, commercial projects overseen by OCII provide permanent hiring opportunities. In FY19-20, the Golden State Warriors completed construction of its Chase Center sports arena and, with the assistance of the San Francisco Office of Economic and Workforce Development ("OEWD"), hired 128 local residents for end-use positions pursuant to the owner participation agreement between OCII and the developer. In FY20-21, OCII anticipates completion of several other commercial buildings, which will offer additional end-use employment opportunities. OCII will continue to work with applicable developers and OEWD to transition workforce development efforts from construction hiring to permanent end-using hiring for the upcoming fiscal year.

In support of the mission to build communities through housing and infrastructure, 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 FY20-21, OCII will expend a total of $2.5 million on these Community Development and Workforce activities. An additional $0.3 million is integrated into the proposed budget for Operations shown in Exhibit 2 and also included in Exhibit 13.

Exhibit 13: Community Development and Workforce Sources by Uses, *Millions*

Source / Use	Developer Payments	Property Tax Increment	Fund Balance	Total
Grants to Community-Based Organizations	$0.2		$2.0	**$2.2**
Workforce Development Services	$0.1	$0.3		**$0.4**
Development Infrastructure			$0.3	**$0.3**
Total	**$0.3**	**$0.3**	**$2.2**	**$2.8**

6. Debt

As of July 1, 2020, OCII will have long-term debt outstanding of $987.4 million. Of this amount, $800.4 million was Tax Allocation Bonds secured by property taxes generated in the redevelopment project area and $19.7 million was Hotel Occupancy Tax Revenue Refunding Bonds secured by occupancy tax revenues from the occupancy of guest rooms in the hotels within the City.

The table below summarizes OCII's outstanding debt, including the final maturity dates, original par amounts, and par amounts outstanding as of July 1, 2020. This table includes overlapping debt such as CFD debt.

Exhibit 14: Outstanding Debt, as of July 1, 2020

Issue Name	Final Maturity Date	Original Par	Outstanding Principal as of 7/1/20
1998 Series C Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	8/1/24	$12,915,026	$1,072,519
1998 Series D Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	8/1/24	$21,034,002	$11,869,002
2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/36	$50,731,331	$28,034,100
2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/37	$118,285,000	$95,900,000
2007 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects)	8/1/22	$94,115,000	$3,405,000
2009 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/24	$75,000,000	$0
2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/39	$72,565,000	$55,820,000
2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/1/43	$56,245,000	$52,445,000
2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/35	$67,955,000	$24,430,000
2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/29	$75,945,000	$23,895,000
2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project)	8/1/41	$73,890,000	$70,220,000
2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/1/43	$45,000,000	$42,620,000
2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	8/1/41	$73,230,000	$69,270,000
2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/2/43	$74,651,825	$69,651,825
2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)	8/1/44	$89,765,000	$76,355,000
2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	8/1/46	$19,850,000	$19,850,000
2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)	8/1/43	$43,400,000	$37,020,000
2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/41	$116,665,000	$100,075,000
2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/41	$19,745,000	$18,445,000
Subtotal		**$1,200,987,184**	**$800,377,446**
Former Agency Revenue Bonds			
Hotel Occupancy Tax Revenue Refunding Bonds Series 2011	6/1/24	$43,780,000	$19,740,000
Subtotal		**$43,780,000**	**$19,740,000**
Special Tax Bonds			
Community Facilities District No. 4 (Mission Bay North Public Improvements) Variable Rate Revenue Bonds, Series 2002-North	8/1/32	$23,440,000	$10,600,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South	8/1/35	$15,160,000	$13,145,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South	8/1/34	$5,708,939	$4,460,470
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South	8/1/33	$81,775,000	$69,690,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South	8/1/33	$19,635,000	$14,570,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South	8/1/43	$21,601,256	$21,601,256
Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014	8/1/44	$36,445,000	$33,230,000
Subtotal		**$203,765,195**	**$167,296,726**
Total		**$1,448,532,379**	**$987,414,172**

The table below shows the estimated debt service payment due in FY 20-21.

Exhibit 15: Estimated Debt Service Payments due in FY 20-21

	Principal	Interest	Total
Tax Allocation Bonds	$ 60.2	$ 37.1	$ 97.3
Mello-Roos (CFD) Bonds	$ 4.3	$ 6.8	$ 11.1
Hotel Tax Bonds	$ 3.5	$ 1.0	$ 4.5
Total	**$ 68.0**	**$ 44.9**	**$ 112.9**

**Mello-Roos principal and interest payments are reflected in the CFD budgets in Appendix 1. Exhibit does not include payments for LIMHF, cost of issuance, or defeasance of CFD#4 2002 variable rate revenue bonds.*

Exhibit 16 below shows the credit ratings, which are an assessment of the creditworthiness of a borrower, as assessed by credit rating agencies, for OCII's outstanding long-term debt as of the dates of last rating shown below.

Exhibit 16: Credit Ratings

Credit	Rating	Rating Agency	Date of Last Rating
Tax Allocation Bonds			
RPTTF Senior/Cross Collateralized	AA	Standard & Poor's	12/16/2017
RPTTF Subordinate	AA-	Standard & Poor's	12/16/2017
RPTTF Third Lien/"SB 107"	A	Standard & Poor's	2/24/2017
Mission Bay North Infrastructure	A	Standard & Poor's	3/17/2016
Mission Bay South Infrastructure	A-	Standard & Poor's	3/17/2016
Mission Bay North and South Housing	A	Standard & Poor's	2/24/2017
Other			
Hotel Occupancy Tax Revenue	A+	Standard & Poor's	5/26/2020

In FY19-20, Moody's Investors Services upgraded the rating on the RPTTF Senior/Cross Collateralized credit to Aa3 from A2 due to Moody's revised Tax Increment Debt Methodology.

In FY20-21, OCII anticipates expending $118.6 million on its debt program. The largest expenditure will be for debt service on existing and new tax allocation bonds ("TAB"), which are bonds issued against property tax revenues and are OCII's primary debt instrument. The second largest expenditure will be debt service on OCII's non-TAB debt, including the Low Moderate Income Housing Fund loan and cost of issuance for one planned new money bond issuance, followed by the Hotel Occupancy Tax Refunding Bonds debt service payment. Exhibit 17 details these expenditures by sources and uses.

Exhibit 17: FY20-21 Debt Program, Sources by Uses, *Millions*

Sources / Uses	New Bonds	Property Tax	Hotel Tax	Fund Balance	Prior Period Authority	Total
Debt Service - TAB Debt		$89.3		$8.0	$1.4	**$98.7**
Debt Service - Non-TAB Debt	$0.3	$1.8		$0.0	$13.4	**$15.4**
Hotel Occupancy Tax Refunding Bond			$4.5			**$4.5**
Total	**$0.3**	**$91.1**	**$4.5**	**$8.0**	**$14.7**	**$118.6**

** $98.7M in Debt Service – TAB Debt includes $97.3M in debt service reflected in Exhibits 15, plus an additional $1.4M in Prior Period Authority to account for timing differences in funding the trustee account and debt service due date.*

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 and to refund outstanding debt. As shown in Exhibit 18, in FY20-21 OCII anticipates issuing one new money tax-exempt TAB. Proceeds from the issuance will fund reimbursement of Pre-Agreement costs in HPS/CP, as per the Financing Plan. This issuance is OCII's first TAB backed by property tax increment generated in Candlestick Point.

Exhibit 18: FY20-21 Planned New Money Issuances

New Bond	Use	Amount ($M)
2020A Hunters Point Shipyard / Candlestick Point Infrastructure Bond	Infrastructure Reimbursements	$15.0
Cost of Issuance and Staffing Costs		$0.5
Total		**$15.5**

OCII will monitor its tax allocation bond portfolio to determine if market conditions favor refunding bonds. From time to time, OCII issues refunding bonds in accordance with its debt policy to achieve at least 3% net present value debt service savings. The amounts of the proposed refundings will be determined and presented to the Commission at the time of the refunding.

7. Operations Budget

In FY20-21, OCII will expend $20.6 million to fund its operational costs. Specifically, OCII will expend $10.4 million on salaries and benefits, which reflects labor costs for 55 Full-Time Equivalent staff, the same number of staff as FY 19-20. OCII will expend the remaining $6.0 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.

Exhibit 19 details the sources and uses for OCII's operations. OCII will fund the majority of its operating costs with property tax and developer fees. Bond proceeds will fund staff time required to issue bonds.

Exhibit 19: FY20-21 Operations, Sources by Uses, *Millions*

	Amount
Sources	
Bond Proceeds	$0.2
Other Funds	$6.9
Property Tax	$13.5
Total	**$20.6**
Uses	
Salaries and Benefits	$10.4
Non-labor	$6.0
Retiree Health and Pension	$4.2
Total	**$20.6**

Exhibit 20 provides details on the non-labor uses in the FY20-21 budget.

Exhibit 20: FY20-21 Non-Labor Uses

Use	Amount
Work Orders with City Departments	$3.6
Professional Services	$0.8
Software and Information Technology	$0.3
Other Current Expenses	$0.5
Insurance	$0.5
Legal	$0.3
Total	**$6.0**

Items of note in the Non-Labor budget include:

- **Affordable Housing Services:** The proposed FY20-21 budget includes $1.4 million for

affordable housing construction monitoring, marketing, and lease up sources provided by the Mayor's Office of Housing and Community Development.

- **Legal Services Related to OCII's General Operations:** The proposed FY20-21 Operations budget includes $0.33 million for legal services as described below. There is an additional $0.6 million in legal costs embedded into the project budgets.
    - $0.28 million for specialized legal support provided by outside counsel; and
    - $0.05 million for general legal support, including housing program support, provided by the City Attorney's Office.

- **Other Professional Services:** The proposed FY20-21 budget includes $0.8 million for professional services including:
    - $0.2 million for affordable housing professional services;
    - $0.2 million for financial and information technology services;
    - $0.2 million for professional services related to asset management;
    - $0.1 million for general professional services; and
    - $0.1 million for public communications support, including website design.

- **Other Current Expenses:** The proposed FY20-21 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, temporary salaries, and field expenses; and
    - $0.1 million for Commission and Oversight Board meeting expenses, including audiovisual recording of Commission meetings by SFGOV TV.

The non-labor budget also includes operational work performed via work orders with City departments. Exhibit 21 details these costs.

Exhibit 21: FY20-21 Operational Work Orders with City Departments, *Millions*

Department	Service	Amount
MOH	Affordable Housing Services	$1.5
ADM	Rent, Mail, OLSE	$1.2
OEWD	Contract Compliance Support	$0.3
CON	Accounting and Audit Services	$0.2
Planning	Project Areas Support	$0.2
DT	IT Services	$0.2
CAT	Legal	$0.1
TTX	Investment Management	$0.1
Total		**$3.6**

8. Budgeted Positions

The proposed FY20-21 budget contains 55 Full Time Equivalent ("FTE"s).

Exhibit 22: FY20-21 Budgeted Positions

Class	Title	FY 19-20 Budget	FY 20-21 Proposed	YOY Difference	Hourly Step Salary Range 1	2	3	4	5
500	Executive Director	1	1	0	$ 132.36	$ 138.98	$ 145.93	$ 153.22	$ 160.89
520	General Counsel	1	1	0	$ 99.58	$ 104.56	$ 109.79	$ 115.28	$ 121.04
1060	Deputy Director	2	2	0	$ 92.85	$ 97.50	$ 102.37	$ 107.49	$ 112.86
525	Deputy General Counsel	1	1	0	$ 80.20	$ 84.21	$ 88.42	$ 92.85	$ 97.49
556	Senior Engineer	1	1	0	$ 75.86	$ 79.66	$ 83.64	$ 87.82	$ 92.21
930	Staff Associate V - A	1	1	0	$ 73.73	$ 77.42	$ 81.29	$ 85.36	$ 89.62
1015	Contract and Fiscal Services Manager (Z)	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
535	Development Svcs Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
540	Housing Program Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
965	Human Resources Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
550	Sr. Project Manager	1	1	0	$ 70.32	$ 73.84	$ 77.53	$ 81.41	$ 85.48
585	Contract Compl. Supervisor	1	1	0	$ 65.70	$ 68.98	$ 72.43	$ 76.05	$ 79.85
1065	Contract Compl. Sp. III	1	1	0	$ 62.23	$ 65.35	$ 68.61	$ 72.04	$ 75.65
630	Sr. Financial Analyst	1	1	0	$ 61.97	$ 65.07	$ 68.32	$ 71.74	$ 75.33
595	Snr Development Specialist	4	4	0	$ 60.89	$ 63.93	$ 67.13	$ 70.48	$ 74.01
1110	Principal Personnel Analyst	1	1	0	$ 60.81	$ 63.85	$ 67.04	$ 70.39	$ 73.91
1025	Housing Construction Specialist	1	1	0	$ 60.74	$ 63.78	$ 66.97	$ 70.32	$ 73.83
590	Project Manager	3	3	0	$ 60.74	$ 63.78	$ 66.97	$ 70.32	$ 73.83
655	Senior Planner	1	1	0	$ 60.34	$ 63.36	$ 66.52	$ 69.85	$ 73.34
990	Asst. Project Manager	2	2	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
615	Development Specialist	8	8	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
921	Staff Associate IV	1	1	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
1100	Accountant IV	1	1	0	$ 54.42	$ 57.14	$ 60.00	$ 63.00	$ 66.15
670	Financial Systems Accountant	1	1	0	$ 54.42	$ 57.14	$ 60.00	$ 63.00	$ 66.15
730	Associate Planner	2	2	0	$ 50.85	$ 53.39	$ 56.06	$ 58.87	$ 61.81
1000	EA to Executive Director	1	1	0	$ 49.11	$ 51.57	$ 54.15	$ 56.85	$ 59.70
705	Assistant Development Specialist	2	2	0	$ 49.03	$ 51.49	$ 54.06	$ 56.76	$ 59.60
720	Senior Programmer Analyst - A	1	1	0	$ 48.77	$ 51.21	$ 53.77	$ 56.46	$ 59.28
640	Contract Compl. Sp. II	2	2	0	$ 47.52	$ 49.89	$ 52.39	$ 55.01	$ 57.76
695	Accountant III	1	1	0	$ 47.02	$ 49.37	$ 51.84	$ 54.43	$ 57.15
995	Commission Secretary	1	1	0	$ 46.62	$ 48.95	$ 51.39	$ 53.96	$ 56.66
775	Accountant II	0	1	1	$ 38.89	$ 40.84	$ 42.88	$ 45.02	$ 47.27
1035	Mgmt. Assistant II	2	2	0	$ 38.57	$ 40.49	$ 42.52	$ 44.64	$ 46.88
O1035	Mgmt. Assistant II	1	0	-1	$ 38.57	$ 40.49	$ 42.52	$ 44.64	$ 46.88
810	Administrative Secretary - A	1	1	0	$ 35.77	$ 37.56	$ 39.44	$ 41.41	$ 43.48
915	Staff Associate II	1	1	0	$ 33.89	$ 35.58	$ 37.36	$ 39.23	$ 41.19
855	Record Specialist II - A	1	1	0	$ 30.23	$ 31.74	$ 33.33	$ 34.99	$ 36.74
860	Senior Office Assistant - A	1	1	0	$ 30.23	$ 31.74	$ 33.33	$ 34.99	$ 36.74
		55	55	0					

Appendix 1. Community Facilities Districts

Community Facilities Districts ("CFD"s) are special taxing districts formed under the California Mello-Roos Act. The revenues supporting the activities and/or bond obligations of these districts come solely from special taxes approved by electors within the district at the time of its formation. OCII acts as administrator of the CFDs.

OCII administers seven CFDs created under California's Mello-Roos Act. Although the Redevelopment Agency or OCII originally formed the CFDs, OCII's administration of the CFDs is subject to the Mello-Roos Act and not the Redevelopment Dissolution Act. OCII's activities as a CFD are not subject to review by the Board of Supervisors, the Oversight Board, or the Department of Finance. As noted below, OCII currently has $176.2 million in outstanding CFD bonds in connection with three of the seven CFDs in Mission Bay North, Mission Bay South, and Hunters Point Shipyard Phase 1. Exhibit A-1 summarizes the CFD annual levies and outstanding debt.

CFDs #5 - Mission Bay North and South Park Maintenance and #8 - Hunters Point Shipyard Phase 1 Maintenance are maintenance CFDs, which provide funds to operate, maintain, and repair open space parcels such as public parks and plazas in the District. CFDs #4 - Mission Bay North Public Improvements, #6 - Mission Bay South Public Improvements, and #7 Hunters Point Shipyard Phase 1 Improvements are infrastructure CFDs, which provide funds to acquire and develop infrastructure such as streetscapes and sewers in the District. CFDs #1 - South Beach Improvements and Maintenance and CFD #9 - Hunters Point Shipyard Phase 2/Candlestick Point Public Facilities and Services fund both maintenance and public improvements.

Exhibit A1: Community Facilities Districts

CFD	Project Area	2020 est. Tax Levy (M)	FY20-21 Debt Service (M)	2/20/2020 Principal Outstanding (M)	Final Bond Maturity	Purpose
CFD #1	Rincon Point	$0.2	n/a	n/a	n/a	Maintenance & Infrastructure
CFD #4*	Mission Bay North	$0.0	$0.5	$19.5	8/1/2031	Infrastructure
CFD #5	Mission Bay North & South	$2.7	n/a	n/a	n/a	Maintenance
CFD #6	Mission Bay South	$11.0	$8.9	$123.5	8/1/2043	Infrastructure
CFD #7	Hunters Point Shipyard Phase 1	$2.6	$2.0	$33.2	8/1/2036	Infrastructure
CFD #8	Hunters Point Shipyard Phase 1	$1.2	n/a	n/a	n/a	Maintenance
CFD #9	Hunters Point Shipyard Phase 2/Candlestick Point	$0.4	n/a	n/a	n/a	Maintenance & Infrastructure
Total		**$18.0**	**$11.4**	**$176.2**		

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 14-2020
Adopted June 16, 2020

APPROVING A BUDGET FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET AND RATIFYING AND CONFIRMING THE EXECUTIVE DIRECTOR'S SUBMITTAL OF THE INTERIM BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure ("OCII"), is implementing the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq., which requires the wind down of the affairs of the Redevelopment Agency of the City and County of San Francisco ("Former Agency") and the completion the Former Agency's enforceable obligations. Cal. Health & Safety Code § 34177; and,

WHEREAS, The Redevelopment Dissolution Law authorizes OCII to make payments only for the Former Agency's enforceable obligations, which are listed in a recognized obligation payment schedule ("ROPS") that is reviewed and approved by the Oversight Board of the City and County of San Francisco ("Oversight Board") and the California Department of Finance ("DOF"). The ROPS lists the total outstanding debts associated with each obligation and the amounts that are due and payable during the upcoming fiscal year; and,

WHEREAS, OCII is a separate legal entity from the City and County of San Francisco ("City"), Cal. Health & Safety Code § 34173 (g); San Francisco Ordinance No. 215-12 (Oct. 2012), but is subject to the governance of the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") acting in its legislative capacity; and,

WHEREAS, The Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (Oct. 4, 2012), which, among other matters: (a) acknowledged and confirmed that the Successor Agency is a separate legal entity from the City, and (b) established the successor agency commission, the Commission on Community Investment and Infrastructure ("Commission" or "CCII") and delegated to it the authority to take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,

WHEREAS, The Board of Supervisors has final budget approval authority over the OCII, consistent with the DOF-approved ROPS, in its annual budget process in accordance with Section 33606 of the California Health and Safety Code and Section 3 of Ordinance No. 215-12 (Oct. 4, 2012); and,

WHEREAS, The Department of Finance ("DOF") has finally and conclusively determined, under Redevelopment Dissolution Law, that certain development agreements and tax allocation pledge agreements associated with Mission Bay North, Mission Bay South, Transbay, and Hunters Point Shipyard/Candlestick Point are enforceable obligations that survived the dissolution of the Former Agency. These agreements require, among other things, the construction and funding of public infrastructure and affordable housing for which property tax increment is pledged and allocated over time; and,

WHEREAS, The Oversight Board of the City and County of San Francisco approved, by Resolution No. 02-2020 (Jan. 27, 2020), OCII's ROPS 2020-21 and DOF subsequently approved, subject to several adjustments, the ROPS 2020-21 on April 15, 2020; and,

WHEREAS, On June 2, 2020, the Commission held a workshop on the FY 2020-21 Proposed Budget; and,

WHEREAS, The FY 2020-21 Proposed Budget, attached as Attachment A to this Resolution, includes, among other things, the use of property tax revenues (formerly tax increment revenues) from various project areas of the Former Agency to pay for certain enforceable obligations consistent with the DOF-approved ROPS 2020-21; and,

WHEREAS, The FY 2020-21 Proposed Budget includes payments for debt service of tax allocation bonds that were authorized under the Community Redevelopment Law and the Redevelopment Dissolution Law; and,

WHEREAS, In addition to the revenues included in the FY 2020-21 Proposed Budget, OCII may receive interest on bond proceeds; and,

WHEREAS, In addition to the revenues included in the FY 2020-21 Proposed Budget, OCII may receive in excess of what was budgeted payments from developers to reimburse OCII for the cost of services provided; and,

WHEREAS, The FY 2020-21 Proposed Budget includes $15,473,823 of spending that is conditional upon the sale of tax allocation bonds for payment of qualified project costs under the Disposition and Development Agreement for Candlestick Point-Hunters Point Shipyard Phase 2. DOF, the Oversight Board and OCII must separately authorize these bonds and, if the bonds are sold, there will be issuance costs paid from the bond proceeds; and,

WHEREAS, At the direction of OCII, the City Controller is authorized to pay issuance costs, transfer funds to comply with refunding requirements, and adjust the budget to reconcile estimated debt service and bond proceed amounts with actual debt service and bond proceed amounts, as reflected in the bond documents; and,

WHEREAS, At the direction of OCII, the City Controller is also authorized to restructure accounting entries to conform to system requirements and Generally Accepted Accounting Principles ("GAAP"), provided that such restructuring is approved by OCII and has no policy impact; and,

WHEREAS, OCII serves as the administrator of certain Community Facilities Districts ("CFDs") listed in Table A1 of the FY 2020-21 Proposed 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; and,

WHEREAS, The timing of the full Board of Supervisors' consideration of the annual budget requires submission of an interim budget that is in place from July 1, 2020 until the Board of Supervisors finally passes OCII's FY 2020-21 Proposed Budget; and,

WHEREAS, The interim budget is based on the proposed annual budget; and,

WHEREAS, In light of the limitations on public meetings of policy bodies under state and local emergency orders in response to the pandemic coronavirus COVID-19 public health crisis, the OCII Executive Director submitted the FY 20-21 interim budget in May without Commission approval to the Mayor's Office; and,

WHEREAS, Approval of the FY 2020-21 Proposed Budget is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5) and is not subject to environmental review under CEQA; now therefore be it

RESOLVED, That the Commission approves the Proposed Budget for the period July 1, 2020 through June 30, 2021, attached to this Resolution as Attachment A, and furthermore authorizes the Executive Director to transmit the FY 2020-21 Proposed Budget, and to make any non-material changes to the FY 2020-21 Proposed Budget that may be proposed during review by the Mayor or Board of Supervisors, provided that the Executive Director shall seek Commission approval for any material changes to the budget; and be it further

RESOLVED, That all actions taken by the Executive Director in preparing and submitting the Interim Budget to the Board of Supervisors for review and consideration, as consistent with the documents herein and this Resolution, are hereby ratified and confirmed; and be it further

RESOLVED, That this Commission authorizes, consistent with enforceable obligations, the availability of funds, and a DOF-approved ROPS, the Executive Director to reprogram funds between expenditure categories within the project areas and administrative budget shown as columns on Table 3 of the attached FY 2020-21 Proposed Budget, and to move appropriated budgets for allocated staffing and operating costs between projects, and to transfer appropriations between affordable housing projects in response to changes in project schedules; and to expend funds appropriated in prior years in reserve accounts designated for affordable housing projects, community benefits grants, and other designated purposes; and be it further

RESOLVED, That this Commission authorizes OCII to expend, subject to any ROPS or contract approval that may be necessary, the interest earned on bond proceeds for purposes consistent with the bond indentures; provided, however, that OCII has determined that such interest is not subject to Internal Revenue Service arbitrage restrictions; and be it finally

RESOLVED, That this Commission authorizes OCII to expend, subject to any ROPS or contract approval that may be necessary, payments in excess of budgeted amounts received from developers to reimburse OCII for the cost of services provided.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of June 16, 2020.



Commission Secretary

Attachment A: OCII's Proposed FY 2020-21 Budget

Attachment A

Proposed

FY20-21 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 Office of Community Investment & Infrastructure ("OCII") is the Successor Agency to the SFRA.

OCII is charged with completing work related to approved enforceable obligations. Those enforceable obligations are related to: (1) the Projects defined in BOS Ordinance No. 215-12 as the Mission Bay North and South Projects, the Transbay Project, and the Hunters Point Shipyard/Candlestick Point Project; (2) management of SFRA assets, existing economic development agreements such as loans, grants, or owner participation agreements, and other real property and assets of SFRA that must be wound down under the Dissolution Law; and (3) OCII's Retained Affordable Housing Obligations.

Governance

Ordinance 215-12 establishes the Successor Agency Commission as the main governing body of OCII. 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.

Dissolution Law requires there be a governing body known as an Oversight Board ("OB"). 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 group of former OCII employees. 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 the Community Redevelopment Law, as amended by Dissolution Law, the BOS, in its capacity as the legislative body for CCSF, must still approve OCII's annual budget (Cal Health & Safety Code § 33606). Accordingly, the OCII's budget must be approved first 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 FY20-21 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 FY20-21 program highlights.

Mission Bay

The project areas of Mission Bay North and Mission Bay South, together referred to as Mission Bay, were established in 1998 to create a vibrant transit-oriented and mixed-use community that will result in 6,514 residential units (29 percent of which will be affordable), 4 million square feet of office and biotechnology space, 560,000 square feet of retail uses, a new University of California San Francisco ("UCSF") research campus and medical center including a 550-bed hospital, 18,000-seat event center, 250-room hotel, library, school, police headquarters, and a local police and fire department. Mission Bay also contain 49 acres of open space, approximately 41 of which are owned by the City (master leased by and managed by OCII) 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 an Owner Participation Agreement. OCII reimburses the developer for constructed infrastructure. OCII is responsible for approving the land uses and designs of both the public and private development projects and directly funds affordable housing in Mission Bay. Completion of the Mission Bay Project is anticipated in six to 10 years and will result in construction of more than $900 million of new infrastructure, development of over $8 billion in private vertical development, and creation of 31,000 permanent jobs.

To date 5,908 residential units, 3.375 million square feet of office and biotechnology space, 540,000 square feet of retail uses, a 550-bed hospital, an 18,000-seat event center, 60 percent of the UCSF research campus and 30 acres of open space have been built. In FY20-21, OCII will continue to reimburse the master developer for completed infrastructure using a combination of tax allocation bond proceeds, property tax increment, and Community Facility District ("CFD") funds. OCII will also monitor the construction of 293 affordable housing units on Blocks 6W and 9, fund a stand-alone affordable housing project on Block 9a, continue to review designs and permits for open spaces and private commercial development, and plan for the use of public art fees contributed by various developers. Four parks will complete construction in FY20-21, and OCII will incorporate these completed parks into OCII's existing contract with a third party parks

manager, which is funded through maintenance CFD #5. In FY20-21, the Uber Headquarters, which is comprised of four office towers totaling over 1 million square feet of office space, will finish construction including tenant improvements. Additionally, UCSF will complete construction of a new medical building and begin construction of another. The 250-room hotel at Block 1, which is currently seeking entitlement to add 49 rooms, will complete construction in FY20-21.

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. The Transbay Project consists of two zones: Zone 1 is under the land use authority of OCII and consists of twelve blocks of land, of which eleven were formerly owned by the State, while Zone 2 is under the City Planning Department's jurisdiction. OCII is responsible for funding the design and construction of several new parks, streetscape improvements on Folsom Street, selling designated former State-owned parcels to fund construction of the Salesforce Transit Center, and forming partnerships with for-profit and non-profit developers to provide housing on the blocks, including directly funding a significant amount of affordable housing. Thirty-five percent of all new housing units in the entire Transbay Area will be affordable. When Zone 1 is fully built out, there will be approximately 3,200 residential units (of which 43 percent will be affordable), 800,000 square feet of office, 75,000 square feet of retail, and 3.5 acres of open space.

In FY20-21, all of the office space and 1,267 residential units will be complete, 929 units will be in construction, and 930 units will be in the planning phase. OCII will continue to monitor the two projects in construction (Blocks 9 and 1), both of which are mixed-income projects with anticipated completion during FY19-20. The 930 units in the planning phase consist of two projects that will occupy each end of the current Temporary Bus Terminal. First, a large mixed-income residential project on Block 4, which may require amendments to the Redevelopment Plan and associated design controls to allow for maximum efficiency of the site. Second, a stand-alone affordable housing on Block 2 subsidized by OCII. OCII is in negotiations with a development team on Block 4 and anticipates seeking a development team for Block 2 in FY20-21.

Regarding infrastructure development, in FY20-21 OCII will disburse funds through an existing contract with San Francisco Public Works ("SFPW") for a major streetscape construction project on Folsom Street between Essex and Spear Streets. OCII will also disburse funds through existing contracts with SFPW and third party design consultants to facilitate the design and predevelopment activities associated with two future parks: the 2.4 acre Under-ramp Park, which will be located underneath the Fremont off-ramp and the bus ramp to the Salesforce Transit Center, and the 1-acre Transbay Park that will be located in the middle section of the current Temporary Bus Terminal (Block 3).

Hunters Point Shipyard and Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project is composed of approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the Shipyard Redevelopment Plan in 1997 and amended it in 2010, along with the Bayview Hunters Point Redevelopment Plan. These amendments added Candlestick Point to the Project, to facilitate integrated development of the Hunters Point Shipyard and Candlestick Point Projects. Hunters Point Shipyard will be developed in two distinct phases by different master developers: 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 more than 12,100 units of housing (of which approximately one-third will be affordable), 326 acres of parks, over 4.4 million square feet of commercial space, and approximately $89 million of community benefits such as homeowner assistance, workforce development, job training, educational assistance, and contributions to South East Health Center.

To date, a total of 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. At Hunters Point Shipyard Phase 1, OCII will begin construction on two OCII funded affordable housing projects totaling over 112 units on Blocks 52/54, and complete schematic designs on an additional 73 affordable units on Block 56, while also working with Lennar and a third party Community Builder on predevelopment activities for multiple mixed-income residential projects on Blocks 1 and 48. OCII will continue to work with Lennar to facilitate the completion and acceptance of new open spaces at Hunters Point Shipyard Phase 1 and will seek to enter into a contract with a third party parks manager funded through maintenance CFD #8. OCII owns the artists' studio building known as "Building 101" and will continue to implement an existing contract with SFPW, which is funded by a federal Economic Development Administration grant, to design and implement significant upgrades to this artists' building.

At Candlestick Point, OCII staff will work with FivePoint and various City departments to approve infrastructure permits and Final Maps necessary to transform the former 22-acre Candlestick stadium site into a new mixed-use development with a combination of office, retail, hotel, film and arts center, and affordable senior housing development. Both Lennar and FivePoint have made significant monetary contributions in accordance with their Community Benefits Agreements, and OCII anticipates funding multiple contracts for scholarships, homeownership assistance, and other economic development programs in FY 20-21.

Year-Over-Year Comparison and Budget Summary

As shown in Exhibit 1, the proposed FY20-21 budget of $527.3 million represents an increase of

$5.9 million from the FY19-20 budget of $521.3 million. Of this amount, $301.4 million in uses is new budget authority and $225.9 million is Prior Period Authority carried forward from FY19-20. 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.

Year-over-year ("YOY") changes to current year revenue sources compared to FY19-20 are primarily due to an increase in pledged property tax and fund balance. These increases are offset by a decrease in new bonds due to a deferred issuance of a housing bond and a decrease in Prior Period Authority due to spending down on existing housing loans.

Changes to current year uses compared to FY19-20 are primarily due to an increase in infrastructure reimbursements and payments made to reduce outstanding Mello Roos debt in Mission Bay North. These increases are offset by a decrease in affordable housing loans as OCII continues to pay down three loans made in prior years. FY20-21 uses have also decreased due to the drawing down of construction funds in Transbay and the transfer of South Beach Harbor.

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Exhibit 1: Proposed FY20-21 Budget Compared to FY19-20 Budget, *Millions**

	FY19-20 Budgeted	FY20-21 Proposed	YOY Difference
Sources			
Property Tax Increment - TAB Debt Service	$ 74.6	$ 63.2	$ (11.4)
Property Tax Increment - Debt Portfolio	$ 2.3	$ 2.3	$ 0.1
Property Tax Increment - Mission Bay	$ 47.9	$ 49.4	$ 1.5
Property Tax Increment - HPS2/CP	$ 0.3	$ 1.0	$ 0.6
Property Tax Increment - State Owned TBY	$ 8.9	$ 21.7	$ 12.8
Property Tax Increment - Other	$ 5.7	$ 7.9	$ 2.2
Property Tax Increment - ACA	$ 4.4	$ 4.5	$ 0.0
Subtotal CY Property Tax Increment	**$ 144.1**	**$ 149.9**	**$ 5.9**
New Bonds - Housing	$ 25.4	$ -	$ (25.4)
New Bonds - Infra	$ 15.3	$ 15.5	$ 0.2
Subtotal CY New Bonds	**$ 40.7**	**$ 15.5**	**$ (25.2)**
Developer Payments	$ 16.7	$ 16.5	$ (0.2)
Subtotal CY Developer Payments	**$ 16.7**	**$ 16.5**	**$ (0.2)**
Rent & Lease Revenue	$ 0.9	$ 2.3	$ 1.3
Loan Repayments	$ 5.9	$ -	$ (5.9)
Payments from Other Gov Entities	$ 4.4	$ 4.0	$ (0.4)
Hotel Tax	$ 4.5	$ 4.5	$ (0.0)
Subtotal CY Other	**$ 15.8**	**$ 10.8**	**$ (5.0)**
Fund Balance - Housing	$ 74.1	$ 97.3	$ 23.2
Fund Balance - Non-Housing	$ 6.6	$ 11.4	$ 4.8
Subtotal CY Fund Balance	**$ 80.7**	**$ 108.7**	**$ 28.0**
Prior Period Authority - Housing	$ 67.4	$ 24.9	$ (42.5)
Prior Period Authority - Non-Housing	$ 156.0	$ 201.0	$ 45.0
Subtotal CY Prior Period Authority	**$ 223.4**	**$ 225.9**	**$ 2.5**
Total CY Sources	**$ 521.3**	**$ 527.3**	**$ 5.9**
Uses			
Uses - Operations			
Operational Salaries and Benefits	$ 9.3	$ 10.4	$ 1.0
Affordable Housing Services	$ 1.8	$ 1.4	$ (0.4)
Rent	$ 0.7	$ 1.1	$ 0.4
Retiree Health and Pension Costs	$ 3.9	$ 4.2	$ 0.2
Auditing & Accounting Services	$ 0.2	$ 0.3	$ 0.0
Legal Services	$ 1.4	$ 1.4	$ 0.1
Planning & Infrastructure Rvw	$ 5.4	$ 6.7	$ 1.3
Real Estate Development Services	$ 0.2	$ 0.1	$ (0.1)
Workforce Development Services	$ 0.4	$ 0.4	$ (0.0)
Other Professional Services	$ 3.6	$ 4.6	$ 1.0
Grants to Community-Based Organizations	$ 1.7	$ 2.4	$ 0.8
Payments to Other Public Agencies	$ 6.3	$ 0.4	$ (6.0)
Other Current Expenses	$ 1.1	$ 1.2	$ 0.1
Subtotal CY Uses - Operations	**$ 36.1**	**$ 34.6**	**$ (1.5)**
Uses - Non-Operations			
Affordable Housing Loans	$ 98.9	$ 96.8	$ (2.1)
Development Infrastructure	$ 149.1	$ 196.8	$ 47.7
Pass-through to TJPA	$ 8.6	$ 21.1	$ 12.5
Debt Service - OCII TAB Bonds	$ 101.9	$ 97.3	$ (4.6)
Public Art	$ 1.1	$ 1.1	$ 0.0
Other Debt	$ 7.6	$ 19.9	$ 12.3
Subtotal CY Uses - Non-Operations	**$ 367.2**	**$ 433.1**	**$ 65.8**
Prior Period Authority - Housing	$ 67.4	$ 24.9	$ (42.5)
Prior Period Authority - Non-Housing	$ 50.6	$ 34.7	$ (15.8)
Subtotal CY Prior Period Authority	**$ 118.0**	**$ 59.6**	**$ (58.4)**
Total CY Uses	**$ 521.3**	**$ 527.3**	**$ 5.9**
Sources vs. Uses	$ -	$ -	$ -

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

As shown in Exhibit 2, of the $362.2 million budgeted to direct programmatic needs, OCII will expend $122.2 million on affordable housing, $237.5 million on infrastructure and other non-housing activities, and $2.5 million on community development and workforce activities. These expenditures will draw primarily from Fund Balance and Prior Period Authority ("PPA"). Fund Balance reflects funds received in a prior year that OCII is budgeting for the first time in FY20-21. PPA reflects budget approved in prior years that OCII will expend over time.

Exhibit 2: Proposed FY20-21 Budget Programmatic Summary, *Millions

Sources	Property Tax	Developer Payments	New Bonds - Infra	Rent & Lease Revenue	Fund Balance	Prior Period Authority	Other	Total	*Percent*
Uses									
Direct Program Spending									
Affordable Housing	$ -	$ -	$ -	$ -	$ 97.3	$ 24.9	$ -	$ 122.2	*23.2%*
Infrastructure & Other Non-Housing	$ 23.8	$ 9.4	$ 15.0	$ -	$ 3.1	$ 186.3	$ -	$ 237.5	*45.1%*
Comm Dev & Workforce	$ -	$ 0.3	$ -	$ -	$ 2.2	$ -	$ -	$ 2.5	*0.5%*
Direct Programmatic Subtotal	**$ 23.8**	**$ 9.7**	**$ 15.0**	**$ -**	**$ 102.6**	**$ 211.1**	**$ -**	**$ 362.2**	*68.7%*
Indirect Program Spending									
Asset Management	$ 0.4	$ -	$ -	$ -	$ -	$ -	$ 3.9	$ 4.4	*0.8%*
Project Mgmt & Operations	$ 13.6	$ 6.3	$ 0.2	$ 0.4	$ -	$ -	$ 0.1	$ 20.6	*3.9%*
Debt	$ 91.1	$ 0.5	$ 0.3	$ 1.5	$ 6.1	$ 14.7	$ 4.5	$ 118.6	*22.5%*
TJPA Enforceable Obligation	$ 21.1	$ -	$ -	$ -	$ -	$ -	$ -	$ 21.1	*4.0%*
Other	$ -	$ -	$ -	$ 0.4	$ -	$ -	$ -	$ 0.4	*0.1%*
Indirect Programmatic SubTotal	**$ 126.2**	**$ 6.8**	**$ 0.5**	**$ 2.3**	**$ 6.1**	**$ 14.7**	**$ 8.5**	**$ 165.1**	*31.3%*
Total	**$ 149.9**	**$ 16.5**	**$ 15.5**	**$ 2.3**	**$ 108.7**	**$ 225.9**	**$ 8.5**	**$ 527.3**	*100.0%*

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

In order to support the delivery of these direct programmatic activities, the Proposed FY20-21 Budget includes funding for indirect program expenditures, such as asset management, project management and operations, debt service, and pass-through of pledged property tax to the Transbay Joint Powers Authority ("TJPA"). Exhibit 2 shows a total of $165.1 million budgeted to these indirect programmatic expenditures, which are primarily supported through property tax and developer payments.

Exhibit 3 shows the total Proposed FY20-21 Budget of $527.3 million by Project 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 FY20-21 Budget by Project Area/Cost Center, *Millions**

	Operations	Debt	HPS / CP	MBN	MBS	TBY	Other	Total
Sources								
Property Tax Increment - TAB Debt Service	$ -	$ 63.2	$ -	$ -	$ -	$ -	$ -	$ 63.2
Property Tax Increment - Debt Portfolio	$ -	$ 2.3	$ -	$ -	$ -	$ -	$ -	$ 2.3
Property Tax Increment - Mission Bay	$ -	$ 26.1	$ -	$ 0.4	$ 22.9	$ -	$ -	$ 49.4
Property Tax Increment - HPS2/CP	$ -	$ -	$ 1.0	$ -	$ -	$ -	$ -	$ 1.0
Property Tax Increment - State Owned TBY	$ -	$ -	$ -	$ -	$ -	$ 21.7	$ -	$ 21.7
Property Tax Increment - Other	$ 4.5	$ -	$ 0.9	$ -	$ -	$ 2.3	$ 0.1	$ 7.9
Property Tax Increment - ACA	$ 4.5	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.5
Subtotal CY Property Tax Increment	**$ 9.0**	**$ 91.6**	**$ 1.9**	**$ 0.4**	**$ 22.9**	**$ 24.0**	**$ 0.1**	**$ 149.9**
New Bonds - Infra	$ -	$ 0.5	$ 15.0	$ -	$ -	$ -	$ -	$ 15.5
Subtotal CY New Bonds	**$ -**	**$ 0.5**	**$ 15.0**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15.5**
Developer Payments	$ -	$ 0.5	$ 13.0	$ 0.0	$ 0.6	$ 2.3	$ 0.1	$ 16.5
Subtotal CY Developer Payments	**$ -**	**$ 0.5**	**$ 13.0**	**$ 0.0**	**$ 0.6**	**$ 2.3**	**$ 0.1**	**$ 16.5**
Rent & Lease Revenue	$ 0.4	$ 1.5	$ 0.4	$ -	$ -	$ -	$ -	$ 2.3
Payments from Other Gov Entities	$ 0.1	$ -	$ 3.9	$ -	$ -	$ -	$ -	$ 4.0
Hotel Tax	$ -	$ 4.5	$ -	$ -	$ -	$ -	$ -	$ 4.5
Subtotal CY Other	**$ 0.5**	**$ 6.0**	**$ 4.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 10.8**
Fund Balance - Housing	$ -	$ -	$ 51.2	$ -	$ 39.0	$ 7.0	$ -	$ 97.3
Fund Balance - Non-Housing	$ -	$ 6.1	$ 2.4	$ -	$ 1.1	$ 1.9	$ -	$ 11.4
Subtotal CY Budget Sources	**$ -**	**$ 6.1**	**$ 53.6**	**$ -**	**$ 40.2**	**$ 8.9**	**$ -**	**$ 108.7**
Prior Period Authority - Housing	$ -	$ -	$ 5.7	$ -	$ 19.2	$ -	$ -	$ 24.9
Prior Period Authority - Non-Housing	$ -	$ 1.4	$ -	$ 42.7	$ 115.6	$ 23.9	$ 17.4	$ 201.0
Subtotal CY Sources - Prior Period Authority	**$ -**	**$ 1.4**	**$ 5.7**	**$ 42.7**	**$ 134.8**	**$ 23.9**	**$ 17.4**	**$ 225.9**
Total CY Sources	**$ 9.5**	**$ 106.0**	**$ 93.5**	**$ 43.2**	**$ 198.5**	**$ 59.1**	**$ 17.6**	**$ 527.3**
Uses								
Uses - Operations								
Allocated Staff & Operating Expenses	$ (11.1)	$ 0.7	$ 4.3	$ 0.4	$ 2.7	$ 2.7	$ 0.2	$ 0.0
Operational Salaries and Benefits	$ 10.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 10.4
Affordable Housing Services	$ 1.4	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.4
Rent	$ 1.1	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.1
Retiree Health and Pension Costs	$ 4.2	$ -	$ -	$ -	$ -	$ -	$ -	$ 4.2
Auditing & Accounting Services	$ 0.3	$ -	$ -	$ -	$ -	$ -	$ -	$ 0.3
Legal Services	$ 0.3	$ -	$ 1.0	$ -	$ -	$ 0.1	$ -	$ 1.4
Planning & Infrastructure Rvw	$ 0.1	$ -	$ 6.5	$ -	$ -	$ -	$ -	$ 6.7
Real Estate Development Services	$ 0.1	$ -	$ 0.0	$ -	$ -	$ -	$ -	$ 0.1
Workforce Development Services	$ 0.3	$ -	$ 0.1	$ -	$ -	$ -	$ -	$ 0.4
Other Professional Services	$ 1.2	$ -	$ 1.4	$ -	$ 1.4	$ 0.8	$ -	$ 4.6
Grants to Community-Based Organizations	$ -	$ -	$ 2.4	$ -	$ -	$ -	$ -	$ 2.4
Payments to Other Public Agencies	$ -	$ -	$ 0.4	$ -	$ -	$ -	$ -	$ 0.4
Other Current Expenses	$ 1.2	$ -	$ -	$ -	$ -	$ -	$ -	$ 1.2
Subtotal CY Uses - Operations	**$ 9.5**	**$ 0.7**	**$ 16.1**	**$ 0.4**	**$ 4.1**	**$ 3.6**	**$ 0.2**	**$ 34.6**
Uses - Non-Operations								
Affordable Housing Loans	$ -	$ -	$ 51.2	$ -	$ 38.5	$ 7.0	$ -	$ 96.8
Development Infrastructure	$ -	$ -	$ 16.1	$ 29.3	$ 135.6	$ 8.0	$ 7.8	$ 196.8
Pass-through to TJPA	$ -	$ -	$ -	$ -	$ -	$ 21.1	$ -	$ 21.1
Debt Service - OCII TAB Bonds	$ -	$ 97.3	$ -	$ -	$ -	$ -	$ -	$ 97.3
Public Art	$ -	$ -	$ -	$ -	$ 1.1	$ -	$ -	$ 1.1
Other Debt	$ -	$ 6.6	$ -	$ 13.4	$ -	$ -	$ -	$ 19.9
Subtotal CY Uses - Non-Operations	**$ -**	**$ 103.9**	**$ 67.3**	**$ 42.7**	**$ 175.3**	**$ 36.1**	**$ 7.8**	**$ 433.1**
Prior Period Authority - Housing	$ -	$ -	$ 5.7	$ -	$ 19.2	$ -	$ -	$ 24.9
Prior Period Authority - Non-Housing	$ -	$ 1.4	$ 4.4	$ -	$ -	$ 19.4	$ 9.6	$ 34.7
Subtotal CY Uses - Prior Period Authority	**$ -**	**$ 1.4**	**$ 10.1**	**$ -**	**$ 19.2**	**$ 19.4**	**$ 9.6**	**$ 59.6**
Total CY Uses	**$ 9.5**	**$ 106.0**	**$ 93.5**	**$ 43.2**	**$ 198.5**	**$ 59.1**	**$ 17.6**	**$ 527.3**
Sources vs. Uses	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

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

As shown in Exhibit 3, Mission Bay South expenditures are the largest cost center in OCII's budget, reflecting the project area's maturity relative to other project areas. These expenditures are primarily for affordable housing loans and infrastructure reimbursements. Debt reflects the second largest cost center as OCII continues to manage a portfolio of 18 bonds. HPS/CP is the third largest cost center, reflecting affordable housing projects and continued construction of the parks and infrastructure in the project area.

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 these 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 FY20-21.

FY20-21 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; however, three projects are anticipated to seek or finalize approvals for additional entitlements in FY20-21. These projects are: a hotel and residential project proposed by the Golden State Warriors on Blocks 29-30, a commercial office building proposed by Alexandria Real Estate on the vacant land at 1450 Owens St, and additional hotel room entitlement by SOMA Hotel at the Block 1 hotel project that is already in construction. In addition, OCII will finalize discussions with the San Francisco Arts Commission on how to program the public art fees paid by various developers pursuant to the Redevelopment Plan requirements.

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 supports the developments in the Transbay Project. OCII will utilize an existing contract with a third party design consultant to prepare schematic designs for Under-ramp Park. As this park will be owned by the TJPA, OCII will seek final design approvals from the TJPA Board of Directors as well as the OCII Commission, and utilize an existing contract with SFPW to prepare the project for construction bidding. Planning work for Transbay Park will continue in FY20-21. OCII will utilize an existing contract with SFPW to design this park. OCII anticipates formal schematic design approvals in FY20-21.

Hunters Point Shipyard/Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project is composed of two phases, Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point. Hunters Point Shipyard Phase 1 is composed of two areas, Hilltop and Hillside. While the majority of the infrastructure in the Hilltop portion of Phase 1 is complete, the Hillside portion is scheduled to begin site work in FY20-21. Activity in the Hunters Point Shipyard Phase 2/Candlestick Project will focus on the Candlestick Point, specifically the former Candlestick Park stadium site. OCII will work closely with FivePoint and many City agencies through several work orders to review these proposed plans

and recommend necessary actions to the Commission and other approval bodies in FY20-21.

FY20-21 Infrastructure and Non-Housing Completions

There are a number of infrastructure projects in active planning or construction. Due to project timing, a limited number of these projects will achieve completion in FY20-21. Three small parks will complete construction in Mission Bay, and seven park projects will complete construction in Hunters Point Shipyard Phase 1. In Transbay, construction of the Folsom Street Improvement Project was scheduled to be complete in FY20-21, but SFPW has encountered delays and construction will not be complete until FY21-22. Exhibit 4 summarizes anticipated infrastructure project completions.

Exhibit 4: FY20-21 Infrastructure & Non-Housing Project Completions

	Mission Bay	Transbay	HPS/CP	**Total**
Parks and Open Space Projects	3	0	7	**10**

FY20-21 Infrastructure Funding

OCII anticipates expending $237.5 million on infrastructure in FY20-21, using the sources shown in Exhibit 5. Of the amount shown in Exhibit 5, OCII will spend $196.8 million on development infrastructure reimbursements and $11.7 million on support services. A small portion of developer infrastructure reimbursements will be reimbursed by Community Facilities District proceeds, which is discussed further in Appendix A-1. The remaining expenditures draw from multi-year project funding is reflected in PPA.

Exhibit 5: FY20-21 Infrastructure & Non-Housing Sources by Uses, *Millions*

Sources **Uses**	**Developer Payments**	**New Bonds**	**Property Tax**	**Fund Balance**	**Prior Period**	**Total by Use**
Other Professional Services	*$1.8*		*$1.2*			*$3.0*
Planning & Infrastructure Rvw	*$6.5*					*$6.5*
Legal Services	*$1.1*		*$0.0*			*$1.1*
Public Art				*$1.1*		*$1.1*
Support Services Subtotal	$9.4	$0.0	$1.2	$1.1	$0.0	**$11.7**
Development Infrastructure Reimbursements Subtotal		$15.0	$22.6	$2.0	$157.2	**$196.8**
Prior Period Authority - Non-Housing Subtotal				$0.0	$29.0	**$29.0**
Total by Source	**$9.4**	**$15.0**	**$23.8**	**$3.1**	**$186.2**	**$237.5**

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. Exhibit 6 shows OCII's total housing production obligation of 21,820 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. By the start of FY20-21, OCII anticipates that a total of 8,946 housing units will be complete across the Projects.

Exhibit 6: OCII's Total Housing Production, as of July 1, 2020

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
Completed	2,964	2,944	2,196	505	337	8,946
In Construction		152				152
Predevelopment		281	683	593	1,263	2,820
Preliminary Planning		173	247	294	1,225	1,939
Future Development			80	36	7,847	7,963
Total by Project	**2,964**	**3,550**	**3,206**	**1,428**	**10,672**	**21,820**

Of the 21,820 total housing units shown in Exhibit 6, OCII's development agreements require the agency to produce over 7,000 affordable housing units, over 60 percent of which will be funded by OCII. The OCII-funded units are known as OCII's Retained Affordable Housing Production Obligation, shown in Exhibit 7, by Project Area.

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

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
Completed	409	612	466		337	1824
In Construction		152				152
Predevelopment		289		112	332	733
Preliminary Planning		173	247	70	227	717
Future Development			80	36	748	864
Total By Project	**409**	**1226**	**793**	**218**	**1644**	**4290**

FY 20-21 Housing Completions

In FY20-21, 152 housing units will complete in OCII's Project Areas. These completions are comprised of OCII-funded affordable units in Mission Bay South. There are no completions scheduled of OCII-funded affordable, inclusionary affordable, or market rate units in Mission Bay

North, Transbay, Hunters Point Shipyard Phase 1, and Hunters Point Shipyard Phase2/Candlestick Point. Exhibit 8 provides a breakdown of projected completions by Project.

Exhibit 8: OCII's Housing Production, FY20-21 Projected Completions

	Mission Bay South	Total
Project	*Block 6W*	
Housing Type		
OCII Funded Affordable Units	152	152
Inclusionary Affordable Units		
Market Rate Units		
FY 20-21 Total Completions	**152**	**152**

FY20-21 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% or 50% 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 loans and constructions.

To fulfill its production obligation, OCII anticipates expending $122.5 million in FY20-21, as shown in Exhibit 9. Of this amount, OCII will expend $96.8 million on new affordable housing loans, $24.9 million on existing loans, and $0.8 million on professional services. An additional $0.3 million is integrated into the proposed budget for Operations shown in Exhibit 2 and also included in Exhibit 9.

Exhibit 9: OCII-Funded Affordable Housing Program, FY20-21 Sources by Uses, *Millions*

Sources / Uses	Fund Balance	Prior Period Authority	Total by Use
New Affordable Housing Loans	$96.8		$96.8
Existing Affordable Housing Loans		$24.9	$24.9
Professional Services	$0.8		$0.8
Total by Source	**$97.6**	**$24.9**	**$122.5**

In FY 20-21, OCII will fund five new new housing loans. Exhibit 10 below lists three predevelopment loans and two construction loans. These loans will result in construction of housing that serves a wide variety of housing needs, including family rental units, first time homeownership units, and senior and supportive housing units. Exhibit 10 provides a breakdown of the new OCII-funded affordable housing loans by housing type.

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

	Family Rental	Senior Rental Housing	Supportive Housing	Total
Mission Bay South Block 9 Predevelopment/Construction			*$35.0*	*$35.0*
Mission Bay South Block 12W Predevelopment	*$3.5*			*$3.5*
Transbay 2E and 2W Predevelopment	*$3.5*	*$3.5*		*$7.0*
Hunters Point Shipyard Phase 1, Blocks 52/54 Construction	*$47.7*			*$47.7*
Hunters Point Shipyard Phase 1, Block 56 Predevelopment	*$3.5*			*$3.5*
Total	$58.2	$3.5	$35.0	$96.8

In addition to the $96.8 million in new affordable housing loans, OCII will expend $24.9 million on existing affordable housing loans. Exhibit 11 shows affordable housing projects receiving continuing funding in FY20-21 and indicates the housing type for each project.

Exhibit 11: OCII-Funded Existing Affordable Housing by Housing Type, *Millions*

	Family Rental	Family Ownership	Total
HPS Block 52/54 Predevelopment	$2.3		$2.3
CP Block 11a Predevelopment	$1.2		$1.2
CP Block 10a Predevelopment	$1.6		$1.6
Alice Griffith 4 Construction	$0.5		$0.5
MBS 6E Construction	$1.6		$1.6
MBS 6W Construction	$14.1		$14.1
MBS 9a Predevelopment		$3.5	$3.5
Total	$21.3	$3.5	$24.8

5. Community and Workforce Development

OCII has multiple agreements through which developers make financial contributions for community benefits and economic development grants and programs. The most significant of these agreements exist for the Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point Projects. Both projects have a Community Benefits Agreement that identifies milestones at which the master developer is obligated to make community benefits payments to OCII. OCII programs and expends these funds to benefit the community.

In Hunters Point Shipyard/Candlestick Point, OCII plans to execute contracts with third party partners to implement community benefits programs for educational uses, homeownership assistance, contractor assistance, and other neighborhood building, wellness and economic development efforts.

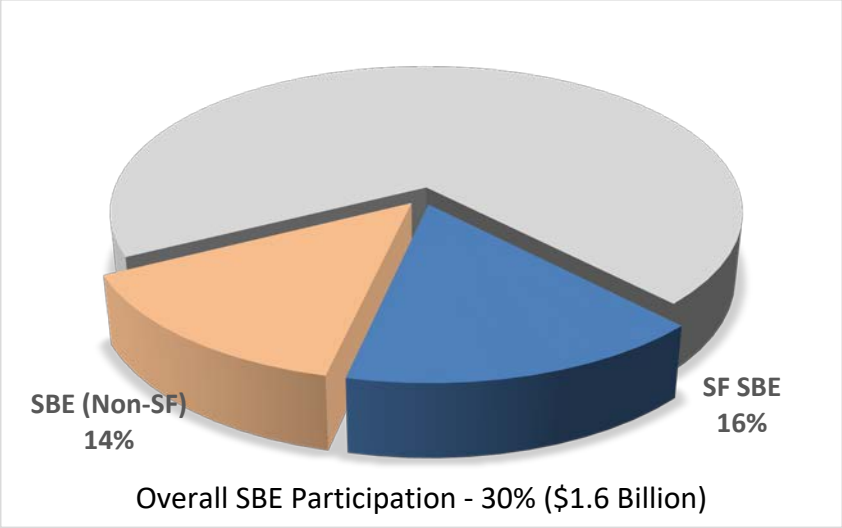
Community Development and Workforce

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. 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 $5.5 billion in contracts with over $1.6 billion or 30 percent credited to small business enterprises ("SBE"s). Of this amount, $877 million, or 16 percent of all awards and 53 percent of SBE awards, is attributed to San Francisco-based small businesses. Minority and women-owned businesses have also participated in a significant manner with over $875 million in contracts or nearly 16 percent of all awards, reflecting the ethnic and gender diversity of the region. As an economic driver, OCII's SBE program has benefited over 1,000 local and small businesses since 2012. In FY20-21, OCII will continue to promote small business contracting and facilitate economic development.

Exhibit 12: SBE Participation on OCII-Administered Contracts, 2012-2019



In addition to small business contracting, OCII has a robust workforce development program to hire local residents. Since 2012, over 45,610 workers (of which 6,720 are San Francisco residents) have performed over 16 million construction hours on OCII-administered projects. Local residents performed nearly 3.2 million hours or 20 percent of the total, garnering $139 million in wages. For FY20-21, OCII will continue to implement its local construction hiring program to ensure local residents have employment opportunities on OCII-administered projects.

Besides construction hiring, commercial projects overseen by OCII provide permanent hiring opportunities. In FY19-20, the Golden State Warriors completed construction of its Chase Center sports arena and, with the assistance of the San Francisco Office of Economic and Workforce Development ("OEWD"), hired 128 local residents for end-use positions pursuant to the owner participation agreement between OCII and the developer. In FY20-21, OCII anticipates completion of several other commercial buildings, which will offer additional end-use employment opportunities. OCII will continue to work with applicable developers and OEWD to transition workforce development efforts from construction hiring to permanent end-using hiring for the upcoming fiscal year.

In support of the mission to build communities through housing and infrastructure, 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 FY20-21, OCII will expend a total of $2.5 million on these Community Development and Workforce activities. An additional $0.3 million is integrated into the proposed budget for Operations shown in Exhibit 2 and also included in Exhibit 13.

Exhibit 13: OCII's Community Development and Workforce Sources by Uses, *Millions*

Source / Use	Developer Payments	Property Tax Increment	Fund Balance	Total
Grants to Community-Based Organizations	$0.2		$2.0	**$2.2**
Workforce Development Services	$0.1	$0.3		**$0.4**
Development Infrastructure			$0.3	**$0.3**
Total	**$0.3**	**$0.3**	**$2.2**	**$2.8**

6. Debt

As of July 1, 2020, OCII will have long-term debt outstanding of $987.4 million. Of this amount, $800.4 million was Tax Allocation Bonds secured by property taxes generated in the redevelopment project area and $19.7 million was Hotel Occupancy Tax Revenue Refunding Bonds secured by occupancy tax revenues from the occupancy of guest rooms in the hotels within the City.

The table below summarizes OCII's outstanding debt, including the final maturity dates, original par amounts, and par amounts outstanding as of July 1, 2020. This table includes overlapping debt such as CFD debt.

Exhibit 14: OCII Outstanding Debt

Issue Name	Final Maturity Date	Original Par	Outstanding Principal as of 7/1/20
1998 Series C Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	8/1/24	$12,915,026	$1,072,519
1998 Series D Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	8/1/24	$21,034,002	$11,869,002
2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/36	$50,731,331	$28,034,100
2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/37	$118,285,000	$95,900,000
2007 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects)	8/1/22	$94,115,000	$3,405,000
2009 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/24	$75,000,000	$0
2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	8/1/39	$72,565,000	$55,820,000
2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/1/43	$56,245,000	$52,445,000
2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/35	$67,955,000	$24,430,000
2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/29	$75,945,000	$23,895,000
2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project)	8/1/41	$73,890,000	$70,220,000
2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/1/43	$45,000,000	$42,620,000
2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	8/1/41	$73,230,000	$69,270,000
2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project)	8/2/43	$74,651,825	$69,651,825
2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)	8/1/44	$89,765,000	$76,355,000
2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	8/1/46	$19,850,000	$19,850,000
2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)	8/1/43	$43,400,000	$37,020,000
2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/41	$116,665,000	$100,075,000
2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	8/1/41	$19,745,000	$18,445,000
Subtotal		**$1,200,987,184**	**$800,377,446**
Former Agency Revenue Bonds			
Hotel Occupancy Tax Revenue Refunding Bonds Series 2011	6/1/24	$43,780,000	$19,740,000
Subtotal		**$43,780,000**	**$19,740,000**
Special Tax Bonds			
Community Facilities District No. 4 (Mission Bay North Public Improvements) Variable Rate Revenue Bonds, Series 2002-North	8/1/32	$23,440,000	$10,600,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South	8/1/35	$15,160,000	$13,145,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South	8/1/34	$5,708,939	$4,460,470
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South	8/1/33	$81,775,000	$69,690,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South	8/1/33	$19,635,000	$14,570,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South	8/1/43	$21,601,256	$21,601,256
Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014	8/1/44	$36,445,000	$33,230,000
Subtotal		**$203,765,195**	**$167,296,726**
Total		**$1,448,532,379**	**$987,414,172**

Exhibit 15 below shows the credit ratings, which are an assessment of the creditworthiness of a borrower, as assessed by credit rating agencies, for OCII's outstanding long-term debt as of the dates of last rating shown below.

Exhibit 15: OCII Credit Ratings

Credit	Rating	Rating Agency	Date of Last Rating
Tax Allocation Bonds			
RPTTF Senior/Cross Collateralized	AA	Standard & Poor's	12/16/2017
RPTTF Subordinate	AA-	Standard & Poor's	12/16/2017
RPTTF Third Lien/"SB 107"	A	Standard & Poor's	2/24/2017
Mission Bay North Infrastructure	A	Standard & Poor's	3/17/2016
Mission Bay South Infrastructure	A-	Standard & Poor's	3/17/2016
Mission Bay North and South Housing	A	Standard & Poor's	2/24/2017
Other			
Hotel Occupancy Tax Revenue	A+	Standard & Poor's	5/26/2020

In FY19-20, Moody's Investors Services upgraded the rating on the RPTTF Senior/Cross Collateralized credit to Aa3 from A2 due to Moody's revised Tax Increment Debt Methodology.

In FY20-21, OCII anticipates expending $118.6 million on its debt program. The largest expenditure will be for debt service on existing and new tax allocation bonds ("TAB"), which are bonds issued against property tax revenues and are OCII's primary debt instrument. The second largest expenditure will be debt service on OCII's non-TAB debt, including the Low Moderate Income Housing Fund loan and cost of issuance for one planned new money bond issuance, followed by the Hotel Occupancy Tax Refunding Bonds debt service payment. Exhibit 16 details these expenditures by sources and uses.

Exhibit 16: FY20-21 OCII Debt Program, Sources by Uses, *Millions*

Sources / Uses	New Bonds	Property Tax	Hotel Tax	Fund Balance	Prior Period Authority	Total
Debt Service - TAB Debt		$89.3		$8.0	$1.4	**$98.7**
Debt Service - Non-TAB Debt	$0.3	$1.8		$0.0	$13.4	**$15.4**
Hotel Occupancy Tax Refunding Bond			$4.5			**$4.5**
Total	**$0.3**	**$91.1**	**$4.5**	**$8.0**	**$14.7**	**$118.6**

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 and to refund outstanding debt. As shown in Exhibit 17, in FY20-21 OCII anticipates issuing one new money tax-exempt TAB. Proceeds from the issuance will fund reimbursement of Pre-Agreement costs in HPS/CP, as per the Financing Plan. This issuance is OCII's first TAB backed by property tax increment generated in Candlestick Point.

Exhibit 17: FY20-21 Planned New Money Issuances

New Bond	Use	Amount ($M)
2020A Hunters Point Shipyard / Candlestick Point Infrastructure Bond	Infrastructure	$15.0
Cost of Issuance and Staffing Costs	Reimbursements	$0.5
Total		**$15.5**

OCII will monitor its tax allocation bond portfolio to determine if market conditions favor refunding bonds. From time to time, OCII issues refunding bonds in accordance with its debt policy to achieve at least 3% net present value debt service savings. The amounts of the proposed refundings will be determined and presented to the Commission at the time of the refunding.

7. Operations Budget

In FY20-21, OCII will expend $20.6 million to fund its operational costs. Specifically, OCII will expend $10.4 million on salaries and benefits, which reflects labor costs for 55 Full-Time Equivalent staff, the same number of staff as FY 19-20. OCII will expend the remaining $6.0 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.

Exhibit 18 details the sources and uses for OCII's operations. OCII will fund the majority of its operating costs with property tax and developer fees. Bond proceeds will fund staff time required to issue bonds.

Exhibit 18: FY20-21 Operations, Sources by Uses, *Millions*

	Amount
Sources	
Bond Proceeds	$0.2
Other Funds	$6.9
Property Tax	$13.5
Total	**$20.6**
Uses	
Salaries and Benefits	$10.4
Non-labor	$6.0
Retiree Health and Pension	$4.2
Total	**$20.6**

Exhibit 19 provides details on the non-labor uses in the FY20-21 budget.

Exhibit 19: FY20-21 Non-Labor Uses

Use	Amount
Work Orders with City Departments	$3.6
Professional Services	$0.8
Software and Information Technology	$0.3
Other Current Expenses	$0.5
Insurance	$0.5
Legal	$0.3
Total	**$6.0**

Items of note in the Non-Labor budget include:

- **Affordable Housing Services:** The proposed FY20-21 budget includes $1.4 million for

affordable housing construction monitoring, marketing, and lease up sources provided by the Mayor's Office of Housing and Community Development.

- **Legal Services Related to OCII's General Operations:** The proposed FY20-21 Operations budget includes $0.33 million for legal services as described below. There is an additional $0.6 million in legal costs embedded into the project budgets.
    - $0.28 million for specialized legal support provided by outside counsel; and
    - $0.05 million for general legal support, including housing program support, provided by the City Attorney's Office.

- **Other Professional Services:** The proposed FY20-21 budget includes $0.8 million for professional services including:
    - $0.2 million for affordable housing professional services;
    - $0.2 million for financial and information technology services;
    - $0.2 million for professional services related to asset management;
    - $0.1 million for general professional services; and
    - $0.1 million for public communications support, including website design.

- **Other Current Expenses:** The proposed FY20-21 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, temporary salaries, and field expenses; and
    - $0.1 million for Commission and Oversight Board meeting expenses, including audiovisual recording of Commission meetings by SFGOV TV.

The non-labor budget also includes operational work performed via work orders with City departments. Exhibit 20 details these costs.

Exhibit 20: FY20-21 Operational Work Orders with City Departments, *Millions*

Department	Service	Amount
MOH	Affordable Housing Services	$1.5
ADM	Rent, Mail, OLSE	$1.2
OEWD	Contract Compliance Support	$0.3
CON	Accounting and Audit Services	$0.2
Planning	Project Areas Support	$0.2
DT	IT Services	$0.2
CAT	Legal	$0.1
TTX	Investment Management	$0.1
Total		**$3.6**

8. Budgeted Positions

The proposed FY20-21 budget contains 55 Full Time Equivalent ("FTE"s).

Exhibit 21: FY20-21 Budgeted Positions

Class	Title	FY 19-20 Budget	FY 20-21 Proposed	YOY Difference	Hourly Step Salary Range 1	2	3	4	5
500	Executive Director	1	1	0	$ 132.36	$ 138.98	$ 145.93	$ 153.22	$ 160.89
520	General Counsel	1	1	0	$ 99.58	$ 104.56	$ 109.79	$ 115.28	$ 121.04
1060	Deputy Director	2	2	0	$ 92.85	$ 97.50	$ 102.37	$ 107.49	$ 112.86
525	Deputy General Counsel	1	1	0	$ 80.20	$ 84.21	$ 88.42	$ 92.85	$ 97.49
556	Senior Engineer	1	1	0	$ 75.86	$ 79.66	$ 83.64	$ 87.82	$ 92.21
930	Staff Associate V - A	1	1	0	$ 73.73	$ 77.42	$ 81.29	$ 85.36	$ 89.62
1015	Contract and Fiscal Services Manager (Z)	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
535	Development Svcs Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
540	Housing Program Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
965	Human Resources Manager	1	1	0	$ 70.47	$ 73.99	$ 77.69	$ 81.57	$ 85.65
550	Sr. Project Manager	1	1	0	$ 70.32	$ 73.84	$ 77.53	$ 81.41	$ 85.48
585	Contract Compl. Supervisor	1	1	0	$ 65.70	$ 68.98	$ 72.43	$ 76.05	$ 79.85
1065	Contract Compl. Sp. III	1	1	0	$ 62.23	$ 65.35	$ 68.61	$ 72.04	$ 75.65
630	Sr. Financial Analyst	1	1	0	$ 61.97	$ 65.07	$ 68.32	$ 71.74	$ 75.33
595	Snr Development Specialist	4	4	0	$ 60.89	$ 63.93	$ 67.13	$ 70.48	$ 74.01
1110	Principal Personnel Analyst	1	1	0	$ 60.81	$ 63.85	$ 67.04	$ 70.39	$ 73.91
1025	Housing Construction Specialist	1	1	0	$ 60.74	$ 63.78	$ 66.97	$ 70.32	$ 73.83
590	Project Manager	3	3	0	$ 60.74	$ 63.78	$ 66.97	$ 70.32	$ 73.83
655	Senior Planner	1	1	0	$ 60.34	$ 63.36	$ 66.52	$ 69.85	$ 73.34
990	Asst. Project Manager	2	2	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
615	Development Specialist	8	8	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
921	Staff Associate IV	1	1	0	$ 56.60	$ 59.43	$ 62.40	$ 65.52	$ 68.80
1100	Accountant IV	1	1	0	$ 54.42	$ 57.14	$ 60.00	$ 63.00	$ 66.15
670	Financial Systems Accountant	1	1	0	$ 54.42	$ 57.14	$ 60.00	$ 63.00	$ 66.15
730	Associate Planner	2	2	0	$ 50.85	$ 53.39	$ 56.06	$ 58.87	$ 61.81
1000	EA to Executive Director	1	1	0	$ 49.11	$ 51.57	$ 54.15	$ 56.85	$ 59.70
705	Assistant Development Specialist	2	2	0	$ 49.03	$ 51.49	$ 54.06	$ 56.76	$ 59.60
720	Senior Programmer Analyst - A	1	1	0	$ 48.77	$ 51.21	$ 53.77	$ 56.46	$ 59.28
640	Contract Compl. Sp. II	2	2	0	$ 47.52	$ 49.89	$ 52.39	$ 55.01	$ 57.76
695	Accountant III	1	1	0	$ 47.02	$ 49.37	$ 51.84	$ 54.43	$ 57.15
995	Commission Secretary	1	1	0	$ 46.62	$ 48.95	$ 51.39	$ 53.96	$ 56.66
775	Accountant II	0	1	1	$ 38.89	$ 40.84	$ 42.88	$ 45.02	$ 47.27
1035	Mgmt. Assistant II	2	2	0	$ 38.57	$ 40.49	$ 42.52	$ 44.64	$ 46.88
O1035	Mgmt. Assistant II	1	0	-1	$ 38.57	$ 40.49	$ 42.52	$ 44.64	$ 46.88
810	Administrative Secretary - A	1	1	0	$ 35.77	$ 37.56	$ 39.44	$ 41.41	$ 43.48
915	Staff Associate II	1	1	0	$ 33.89	$ 35.58	$ 37.36	$ 39.23	$ 41.19
855	Record Specialist II - A	1	1	0	$ 30.23	$ 31.74	$ 33.33	$ 34.99	$ 36.74
860	Senior Office Assistant - A	1	1	0	$ 30.23	$ 31.74	$ 33.33	$ 34.99	$ 36.74
		55	55	0					

Appendix 1. Community Facilities Districts

Community Facilities Districts ("CFD"s) are special taxing districts formed under the California Mello-Roos Act. The revenues supporting the activities and/or bond obligations of these districts come solely from special taxes approved by electors within the district at the time of its formation. OCII acts as administrator of the CFDs.

OCII administers seven CFDs created under California's Mello-Roos Act. Although the Redevelopment Agency or OCII originally formed the CFDs, OCII's administration of the CFDs is subject to the Mello-Roos Act and not the Redevelopment Dissolution Act. OCII's activities as a CFD are not subject to review by the Board of Supervisors, the Oversight Board, or the Department of Finance. As noted below, OCII currently has $176.2 million in outstanding CFD bonds in connection with three of the seven CFDs in Mission Bay North, Mission Bay South, and Hunters Point Shipyard Phase 1. Exhibit A-1 summarizes the CFD annual levies and outstanding debt.

CFDs #5 - Mission Bay North and South Park Maintenance and #8 - Hunters Point Shipyard Phase 1 Maintenance are maintenance CFDs, which provide funds to operate, maintain, and repair open space parcels such as public parks and plazas in the District. CFDs #4 - Mission Bay North Public Improvements, #6 - Mission Bay South Public Improvements, and #7 Hunters Point Shipyard Phase 1 Improvements are infrastructure CFDs, which provide funds to acquire and develop infrastructure such as streetscapes and sewers in the District. CFDs #1 - South Beach Improvements and Maintenance and CFD #9 - Hunters Point Shipyard Phase 2/Candlestick Point Public Facilities and Services fund both maintenance and public improvements.

Exhibit A1: OCII's Community Facilities District

CFD	Project Area	2020 est. Tax Levy (M)	FY20-21 Debt Service (M)	2/20/2020 Principal Outstanding (M)	Final Bond Maturity	Purpose
CFD #1	Rincon Point	$0.2	n/a	n/a	n/a	Maintenance & Infrastructure
CFD #4[a]	Mission Bay North	$0.0	$0.5	$19.5	8/1/2031	Infrastructure
CFD #5	Mission Bay North & South	$2.7	n/a	n/a	n/a	Maintenance
CFD #6	Mission Bay South	$11.0	$8.9	$123.5	8/1/2043	Infrastructure
CFD #7	Hunters Point Shipyard Phase 1	$2.6	$2.0	$33.2	8/1/2036	Infrastructure
CFD #8	Hunters Point Shipyard Phase 1	$1.2	n/a	n/a	n/a	Maintenance
CFD #9	Hunters Point Shipyard Phase 2/Candlestick Point	$0.4	n/a	n/a	n/a	Maintenance & Infrastructure
Total		**$18.0**	**$11.4**	**$176.2**		

OFFICE OF THE MAYOR
SAN FRANCISCO

LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Office of Community Investment and Infrastructure, operating as Successor Agency to the San Francisco Redevelopment Agency, Fiscal Year 2020-21 Budget – Bond Issuance Not to Exceed $15,473,823
DATE: July 31, 2020

Resolution approving the Fiscal Year 2020-21 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 $15,473,823 for the purpose of financing a portion of OCII's enforceable obligations.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

OFFICE OF THE MAYOR
SAN FRANCISCO

LONDON N. BREED
MAYOR

To: Angela Calvillo, Clerk of the Board of Supervisors
From: Ashley Groffenberger, Acting Mayor's Budget Director
Date: July 31, 2020
Re: Mayor's FY 2020-21 and FY 2021-22 Budget Submission

Madam Clerk,

In accordance with the Seventh Supplement to the Mayoral Proclamation Declaring the Existence of a Local Emergency dated February 25, 2020, the Mayor's Office hereby submits the Mayor's proposed budget by August 1, corresponding legislation, and related materials for Fiscal Year 2020-21 and Fiscal Year 2021-22.

In addition to the Mayor's Proposed FY 2020-21 and FY 2021-22 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions, physical copies of which will be delivered by the Controller's Office
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2020-21
- 21 separate pieces of trailing legislation (see list attached)
- A Transfer of Function letter detailing the transfer of positions from one City department to another
- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years

Please note the following:

- There are no Interim Exceptions proposed.
- Technical adjustments to the budget are being prepared, but are not submitted with this set of materials.

If you have any questions, please contact my office.

Sincerely,

Ashley Groffenberger
Acting Mayor's Budget Director

cc: Members of the Board of Supervisors
Budget and Legislative Analyst
Controller

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

Department	Item	Relevance to Budget	Type
HOM	Homelessness and Supportive Housing Fund Expenditure Plan for 2020-21 and 2021-22	Expenditure plan included in budget.	Resolution
CON	Neighborhood Beautification Fund	Neighborhood Beautification Fund contribution levels assumed in budget.	Ordinance
CON	Access Line Tax CPI increase	Sets Access Line Tax. Revenues assumed in budget.	Resolution
CON	Prop J Certification - previously approved	Costs related to Prop J services assumed in budget.	Resolution
CON	Prop J Certification - new	Costs related to Prop J services assumed in budget.	Resolution
PUC	Hetch Hetchy Capital Budget	Appropriates funds to support PUC Hetch Hetchy capital budget expenditures.	Ordinance
PUC	CleanPowerSF Capital Budget	Appropriates funds to support PUC CleanPowerSF capital budget expenditures.	Ordinance
PUC	Wastewater Capital Budget	Appropriates funds to support PUC Wastewater Enterprise capital budget expenditures.	Ordinance
PUC	Water Capital Budget	Appropriates funds to support PUC Water Enterprise capital budget expenditures.	Ordinance
PUC	Power Debt Authorization	Authorizes debt issuance for Hetch Hetchy and CleanPowerSF capital projects.	Ordinance
PUC	Wastewater Debt Authorization	Authorizes debt issuance for Wastewater Enterprise capital projects.	Ordinance
PUC	Water Debt Authorization	Authorizes debt issuance for Water Enterprise capital projects.	Ordinance
LIB	In-Kind Grant of Friends of San Francisco Public Library	Grant assumed in budget.	Resolution
ADM	Medical Examiner Fees	Fee revenue assumed in budget.	Ordinance
ADM	Permit Center Fees	Fee revenue assumed in budget.	Ordinance
ADM	COP Refunding Authorization	Debt savings assumed in budget.	Ordinance
ADM	COP Refunding Appropriation	Appropriates and de-appropriates COP savings.	Ordinance
ADM	County Clerk Fee	Fee revenue assumed in budget.	Resolution
DPH	DPH Patient Rates	Fee revenue assumed in budget.	Ordinance
MOHCD	ESG Cares 2	Grant assumed in budget.	Resolution
CON	BSIF Reserve Use	Use of reserve assumed in budget.	Resolution

From:	Wong, Linda (BOS)
To:	BOS Legislation, (BOS)
Cc:	Somera, Alisa (BOS)
Subject:	FW: Mayor"s FY 2020-21 and FY 2021-22 Budget Submission
Date:	Friday, July 31, 2020 2:38:42 PM
Attachments:	Budget Legislation FY 21+22 Submission.zip

From: Groffenberger, Ashley (MYR) <ashley.groffenberger@sfgov.org>
Sent: Friday, July 31, 2020 1:23 PM
To: Yee, Norman (BOS) <norman.yee@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Walton, Shamann (BOS) <shamann.walton@sfgov.org>; Mandelman, Rafael (BOS) <rafael.mandelman@sfgov.org>; Haney, Matt (BOS) <matt.haney@sfgov.org>; Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Stefani, Catherine (BOS) <catherine.stefani@sfgov.org>; Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>; Mar, Gordon (BOS) <gordon.mar@sfgov.org>; Preston, Dean (BOS) <dean.preston@sfgov.org>; Kittler, Sophia (MYR) <sophia.kittler@sfgov.org>; Rosenfield, Ben (CON) <ben.rosenfield@sfgov.org>; Allersma, Michelle (CON) <michelle.allersma@sfgov.org>; Low, Jen (BOS) <jen.low@sfgov.org>; Hsieh, Frances (BOS) <frances.hsieh@sfgov.org>; Boilard, Chelsea (BOS) <chelsea.boilard@sfgov.org>; Beinart, Amy (BOS) <amy.beinart@sfgov.org>; Temprano, Tom (BOS) <tom.temprano@sfgov.org>; Gallardo, Tracy (BOS) <tracy.gallardo@sfgov.org>; Campbell, Severin (BUD) <severin.campbell@sfgov.org>; Goncher, Dan (BUD) <dan.goncher@sfgov.org>; Sandler, Risa (CON) <risa.sandler@sfgov.org>; Mahogany, Honey (BOS) <honey.mahogany@sfgov.org>; Angulo, Sunny (BOS) <sunny.angulo@sfgov.org>; Mullan, Andrew (BOS) <andrew.mullan@sfgov.org>; Chinchilla, Monica (BOS) <monica.chinchilla@sfgov.org>; Quan, Daisy (BOS) <daisy.quan@sfgov.org>; Snyder, Jen (BOS) <jen.snyder@sfgov.org>; Wong, Linda (BOS) <linda.wong@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Peacock, Rebecca (MYR) <rebecca.peacock@sfgov.org>
Subject: Mayor's FY 2020-21 and FY 2021-22 Budget Submission

President Yee, Chair Fewer, Madam Clerk, & Members of the Board of Supervisors

In accordance with the Seventh Supplement to the Mayoral Proclamation Declaring the Existence of a Local Emergency dated February 25, 2020, the Mayor's Office hereby submits the Mayor's proposed budget by August 1, corresponding legislation, and related materials for Fiscal Year 2020-21 and Fiscal Year 2021-22.

In addition to the Mayor's Proposed FY 2020-21 and FY 2021-22 Budget Book, the following items are included in the Mayor's submission:

- The Annual Appropriation Ordinance and Annual Salary Ordinance, along with Administrative Provisions, physical copies of which will be delivered by the Controller's Office
- The proposed budget for the Office of Community Investment and Infrastructure for FY 2020-21
- 20 separate pieces of trailing legislation

A Transfer of Function letter detailing the transfer of positions from one City department to another

- A letter addressing funding levels for nonprofit corporations or public entities for the coming two fiscal years

Please note the following:

- There are no Interim Exceptions proposed.
- Technical adjustments to the budget are being prepared, but are not submitted with this set of materials.

If you have any questions, please contact my office.

Sincerely,
Ashley Groffenberger

Ashley Groffenberger | Acting Budget Director
Office of Mayor London N. Breed
City & County of San Francisco | 415.554.6511