

1 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the
2 San Francisco Redevelopment Agency - FY2016-2017 Budget - Bond Issuance Not to
3 Exceed \$185,000,000]

4 **Resolution approving the FY2016-2017 Budget of the Office of Community Investment**
5 **and Infrastructure (OCII), operating as the Successor Agency to the San Francisco**
6 **Redevelopment Agency; and approving the Issuance by OCII of Bonds in an aggregate**
7 **principal amount not to exceed \$185,000,000, which will be used in conjunction with a**
8 **portion of the bonding authority authorized but unissued in the FY2015-2016 budget,**
9 **for the purpose of financing a portion of enforceable obligations.**

10
11 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and
12 County of San Francisco, commonly known as the Office of Community Investment and
13 Infrastructure (OCII), is implementing enforceable obligations of the Redevelopment Agency
14 of the City and County of San Francisco (Former Agency) in accordance with the Community
15 Redevelopment Law, Cal. Health & Safety Code, Sections 33000 et seq., as amended by the
16 Redevelopment Dissolution Law, Cal. Health & Safety Code, Sections 34170 et seq. (the
17 “Law”), and with San Francisco City and County Board of Supervisors (“Board of Supervisors”)
18 Ordinance No. 215-12; and

19 WHEREAS, OCII, a legal entity separate from the City and County of San Francisco
20 (“City”), is subject to the Board of Supervisors’ approval of the OCII’s annual budget in
21 accordance with Cal. Health and Safety Code, Section 33606; and

22 WHEREAS, The Law requires OCII to receive approval from OCII’s Oversight Board
23 and the California Department of Finance (“DOF”) for its expenditures as listed in Recognized
24 Obligation Payment Schedules (“ROPS”) that cover twelve month fiscal periods; and the

25

1 Oversight Board and DOF have approved the ROPS for July 1, 2016, June 30, 2017, (“ROPS
2 16-17”); and

3 WHEREAS, The Law and Ordinance No. 215-12 authorize the Successor Agency
4 Commission ("OCII Commission") to issue bonds to carry out enforceable obligations, subject
5 to approval of the OCII's Oversight Board and DOF; and

6 WHEREAS, Consistent with the expenditures approved in the ROPS, the OCII
7 Commission approved on May 3, 2016, by Resolution No. 19-2016 its annual budget for
8 FY2016-2017 (the “Budget”), and submitted it to the Mayor and Board of Supervisors for
9 review and approval; and

10 WHEREAS, OCII proposes to issue bonds to finance, in FY2016-2017, a portion of its
11 enforceable obligations, but has not yet received approval from the Oversight Board and DOF
12 for this bond financing; and

13 WHEREAS, The OCII FY2015-2016 Budget contained authority to issue \$186,000,000
14 in bonds and OCII issued only \$45,000,000 in bonds but has a need to use a portion of the
15 FY2015-2016 authorized and unissued bonding authority in FY2016-2017 for a bond issuance
16 that is estimated to be \$75,000,000; and

17 WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to
18 cause to be loaned and/or issued on its behalf by a public finance authority, bonds, notes, or
19 other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness
20 being referred to as the "Bonds") in an aggregate principal amount not to exceed
21 \$185,000,000 which will be repaid from and secured by the taxes allocated to and paid to
22 OCII pursuant to the Law and to Section 16 of Article XVI of the California Constitution; and

23 WHEREAS, In addition to the activities programmed in the FY2016-2017 Budget, OCII
24 may have opportunities to refund existing debt at lower interest rates to reduce debt service
25 costs; and

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

4 WHEREAS, The Former Agency and the City entered into Tax Increment Allocation
5 Pledge Agreements for each of the Redevelopment Project Areas in Mission Bay North and
6 Mission Bay South (Resolution Nos. 884-98 and 887-98) for the purpose of pledging net
7 available tax increment from these Redevelopment Project Areas to pay for the costs of public
8 infrastructure and affordable housing; and

9 WHEREAS, The Former Agency and the City entered into the Transbay
10 Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement
11 (Ordinance No. 99-06, May 19, 2006) for the purpose of pledging net available tax increment
12 and sales proceeds from formerly State-owned parcels in the Transbay Redevelopment
13 Project Area to the Transbay Joint Powers Authority to pay for the costs of developing the
14 Transbay Transit Center Project; and

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

19 WHEREAS, In addition to the revenues included in the FY2016-2017 Proposed
20 Budget, OCII may receive interest on bond proceeds; and

21 WHEREAS, OCII anticipates the transfer of Yerba Buena Gardens (“YBG”) and
22 Shoreview Park to the City, as required under the Law and approved by the DOF in the Long
23 Range Property Management Plan; and

24 WHEREAS, This transfer will include restricted Community Development Block Grant
25 funds; and

1 WHEREAS, OCII serves as the administrator of certain Community Facilities Districts
2 (“CFDs”) listed in Table A1 of the OCII Proposed FY2016-2017 Budget, created under the
3 provisions of the Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of
4 Division 2 of Title 5 (commencing with Section 53311) of the California Government Code
5 (known as the “Mello-Roos Act”), and is obligated to receive revenues, make debt service
6 payments and make other expenditures in fulfillment of other obligations associated with the
7 CFDs; now, therefore, be it

8 RESOLVED, By the Board of Supervisors that it does hereby approve the OCII
9 FY2016-2017 Budget, as such Budget is shown in Exhibit “A” attached hereto and
10 incorporated as if set forth in full herein; and, be it

11 FURTHER RESOLVED, The Board of Supervisors conditionally approves the issuance
12 of the Bonds by OCII in the principal amount not to exceed \$185,000,000 for the purpose of
13 financing a portion of its Budget and related costs of issuance, and the application of a portion
14 of the proceeds of which to reimburse the OCII for amounts spent under its Budget prior to the
15 issuance of the Bonds; provided, however, that the OCII Commission, Oversight Board and
16 DOF subsequently approve the issuance of the Bonds; and, be it

17 FURTHER RESOLVED, That OCII is authorized to accept and expend any pledged tax
18 increment from the Mission Bay North and South Project Areas and from the project areas
19 covering Candlestick Point and Phase 2 of the Hunters Point Shipyard and any pledged tax
20 increment and sales proceeds from formerly state-owned parcels in the Transbay Project
21 Area that may be received during FY2016-2017 in excess of amounts included in the OCII
22 FY2016-2017 Budget attached hereto as Exhibit “A,” in accordance with enforceable
23 obligations, and subject to any approvals that are required from OCII’s Oversight Board and
24 DOF; and, be it

25

1 FURTHER RESOLVED, That OCII is authorized to transfer to the City, concurrent with
2 the transfer of the real property asset identified in the Long-Range Property Management
3 Plan, the restricted Community Development Block Grant funds associated with those assets,
4 including those amounts that may be received in excess of amounts included in the Budget.

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25