

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 \$114,000,000, which will be used in conjunction with**
8 **\$71,000,000 for a total of \$185,000,000 of bonding authority authorized in the**
9 **FY2015-2016 budget, for the purpose of financing a portion of enforceable obligations.**

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11 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and
12 County of San Francisco, commonly known as the Office of Community Investment and
13 Infrastructure (OCII), is implementing enforceable obligations of the Redevelopment Agency
14 of the City and County of San Francisco (Former Agency) in accordance with the 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

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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 \$115,000,000 in bonds, leaving \$71,000,000 in authorized but
15 unissued bonding authority; and

16 WHEREAS, The \$71,000,000 in authorized but unissued bonding authority from the
17 OCII FY2015-2016 Budget, when combined with the \$114,000,000 in bonding authority
18 requested for FY2016-2017 is sufficient to fund the \$185,000,000 in FY2016-2017 bond
19 proceed expenditure approved by the OCII Commission; and

20 WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to
21 cause to be loaned and/or issued on its behalf by a public finance authority, bonds, notes, or
22 other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness
23 being referred to as the "Bonds") in an aggregate principal amount not to exceed
24 \$185,000,000 which will be repaid from and secured by the taxes allocated to and paid to
25 OCII pursuant to the Law and to Section 16 of Article XVI of the California Constitution; and

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

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

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

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

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

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

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

4 WHEREAS, This transfer will include restricted Community Development Block Grant
5 funds; and

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

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

16 FURTHER RESOLVED, The Board of Supervisors conditionally approves the issuance
17 of the Bonds by OCII in the principal amount not to exceed \$114,000,000, which together with
18 the FY2015-2016 authorization of \$71,000,000 in unused bonding authority, will be used in
19 FY2016-2017 to issue a total of \$185,000,00 in bonds, for the purpose of financing a portion
20 of its Budget and related costs of issuance, and the application of a portion of the proceeds of
21 which to reimburse the OCII for amounts spent under its Budget prior to the issuance of the
22 Bonds; provided, however, that the OCII Commission, Oversight Board and DOF
23 subsequently approve the issuance of the Bonds; and, be it

24 FURTHER RESOLVED, That OCII is authorized to accept and expend any pledged tax
25 increment from the Mission Bay North and South Project Areas and from the project areas

1 covering Candlestick Point and Phase 2 of the Hunters Point Shipyard and any pledged tax
2 increment and sales proceeds from formerly state-owned parcels in the Transbay Project
3 Area that may be received during FY2016-2017 in excess of amounts included in the OCII
4 FY2016-2017 Budget attached hereto as Exhibit "A," in accordance with enforceable
5 obligations, and subject to any approvals that are required from OCII's Oversight Board and
6 DOF; and, be it

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

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