COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 09-2024

APPROVING A BUDGET FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET AND 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 (together the Community Redevelopment Law and Redevelopment Dissolution Law are referred to as the "Law"); 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. 4, 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, established the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure ("Commission" or "OCII") 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, as provided for in Section 3 of Ordinance No. 215-12 (Oct. 4, 2012) (incorporating Cal. Health & Safety Code § 33606); and,

WHEREAS, 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. 01-2024 (Jan. 24, 2024), OCII's ROPS 2024-25 and DOF subsequently approved the ROPS 2024-25 on April __, 2024; and,

WHEREAS, The FY 2024-25 Proposed Budget, attached as Exhibit A to this Resolution, includes, among other things, the use of property tax revenues (formerly tax increment revenues) that are deposited in the Redevelopment Property Tax Trust Fund from various project areas of the Former Agency to pay for certain enforceable obligations consistent with the DOF-approved ROPS 2024-25; and,

WHEREAS, The FY 2024-25 Proposed Budget includes payments for debt service of tax allocation bonds authorized under the Law; and,

WHEREAS, In addition to the revenues included in the FY 2024-25 Proposed Budget, OCII may receive interest on bond proceeds; and,

WHEREAS, In addition to the revenues included in the FY 2024-25 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, At the direction of OCII, the City Controller is 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, 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, 2024 until the Board of Supervisors finally passes OCII's FY 2024-25 Proposed Budget; and,

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

WHEREAS, Approval of the FY 2024-25 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, subject to DOF approval of the ROPS 2024-25, the Proposed Budget for the period July 1, 2024 through June 30, 2025, attached to this Resolution as Exhibit A, and furthermore authorizes the Executive Director to transmit the FY 2024-25 Proposed Budget, and the accompanying interim budget, to the Mayor's Office and the Board of Supervisors for final budget approval, and to make any non-material changes to the FY 2024-25 Proposed Budget that may be proposed during review by the Mayor or Board of Supervisors, provided that the Executive Director shall inform the Commission of material changes to the budget; 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 2024-25 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 April 16, 2024.

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Commission Secretary

Exhibit A: OCII's Proposed FY 2024-25 Budget