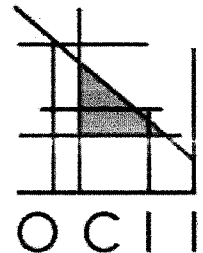


# **Office of Community Investment & Infrastructure**

## **Approval of OCII Budget Amendment and Bond Issuance**

**Budget and Finance Committee: December 9, 2015**



# BOS Legislative Authority

## California Health and Safety Code Section 33606

An agency shall adopt an annual budget containing all of the following specific information, including all activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3:

- (a) The proposed expenditures of the agency.
- (b) The proposed indebtedness to be incurred by the agency.
- (c) The anticipated revenues of the agency.
- (d) The work program for the coming year, including goals.
- (e) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

The annual budget may be amended from time to time as determined by the agency. All expenditures and indebtedness of the agency shall be in conformity with the adopted or amended budget. When the legislative body is not the redevelopment agency, the legislative body shall approve the annual budget and amendments of the annual budget of the agency.

## Proposed Action

- Increase OCII Budget Authority by \$135M in bond proceeds,
- Authorize \$135M in bond proceeds expenditure,
- Approve bond issuance in an amount not-to-exceed \$135M.

# OCII Enforceable Obligations

## Property Tax Increment is pledged to reimburse Mission Bay owner

- Tax Increment is pledged after deduction of pass-throughs and affordable housing increment
- Owner may request OCII issue debt against property tax increment for reimbursement
- Use of tax increment to reimburse developer is an Enforceable Contractual Obligations consistent with Cal Health & Safety Code 34170, 34171(d)(1), and 34177.5(i)
  - Mission Bay Owner Participation Agreement (OPA)
  - Mission Bay North Tax Increment Pledge Agreement
  - Mission Bay South Tax Increment Pledge Agreement

## Proposed Issuances

|                    | <b>2016C</b>                    | <b>2016D</b>                     |
|--------------------|---------------------------------|----------------------------------|
| Principal Amount   | \$45M                           | \$90M                            |
| Credit             | Enrolled Property<br>Tax        | Future Property<br>Tax           |
| Credit Priority    | Parity                          | Subordinate                      |
| Method of Sale     | Competitive Open<br>Market Sale | Competitive Private<br>Placement |
| Term               | 30 Yrs                          | 30 Yrs                           |
| Total Debt Service | \$79M                           | \$161M                           |

# Bond Proceeds Expenditure

## Bond Proceeds will reimburse infrastructure already approved and permitted

- Expended and reimbursable within the next 1-18 months
- City has inspected and found the infrastructure to be completed in accordance with the previously-approved permits

| <b>Mission Bay South Infrastructure</b> | <b>Expenditures Already Incurred</b> | <b>Projected Expenditures</b> | <b>Total</b>          |
|---|--------------------------------------|-------------------------------|-----------------------|
| Streets and Utilities                   | \$ 40,925,035                        | \$ 28,776,144                 | \$ 69,701,179         |
| Pump Stations                           | \$ 7,530,455                         | \$ 7,336,808                  | \$ 14,867,263         |
| Parks                                   | \$ 4,939,302                         | \$ 13,320,001                 | \$ 18,259,303         |
| Public Safety Building                  | \$ 6,238,024                         | \$ -                          | \$ 6,238,024          |
| Administration                          | \$ 1,535,482                         | \$ 20,418,399                 | \$ 21,953,881         |
| <b>Total</b>                            | <b>\$ 61,168,298</b>                 | <b>\$ 69,851,352</b>          | <b>\$ 131,019,650</b> |

# THANK YOU

