

1 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the
2 San Francisco Redevelopment Agency - FY2018-2019 Budget - Bond Issuance Not to
3 Exceed \$143,374,815]

4 **Resolution approving the FY2018-2019 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 \$143,374,815.**

8
9 WHEREAS, The Successor Agency to the Redevelopment Agency of the City and
10 County of San Francisco, commonly known as the Office of Community Investment and
11 Infrastructure (“OCII”), is implementing enforceable obligations of the Redevelopment Agency
12 of the City and County of San Francisco (“Former Agency”) in accordance with the
13 Community Redevelopment Law, Cal. Health & Safety Code, Sections 33000 et seq., as
14 amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code, Sections 34170
15 et seq. (the “Law”), and with San Francisco City and County Board of Supervisors (“Board of
16 Supervisors”) Ordinance No. 215-12 (Oct 4, 2012); and

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

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

24 WHEREAS, On January 22, 2018, the Oversight Board approved, by
25 Resolution 1-2018, the ROPS for July 1, 2018, to June 30, 2019 (“ROPS 18-19”), which the

1 California Department of Finance (“DOF”) approved on April 13, 2018 with a few minor
2 exceptions; 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 Successor
7 Agency Commission (commonly known as the Commission on Community Investment and
8 Infrastructure) approved, by Resolution No. 23-2018 (May 1, 2018), its annual budget for
9 FY2018-2019 (the “Budget”) and authorized the Executive Director to submit the Budget for
10 review and approval to the Mayor and the Board of Supervisors; and

11 WHEREAS, OCII proposes to issue bonds to finance, in FY2018-2019, a portion of its
12 enforceable obligations, but has not yet received approval from the Oversight Board and DOF
13 for this bond financing; and

14 WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to
15 cause to be loaned and/or issued on its behalf by a public finance authority, bonds, notes, or
16 other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness
17 being referred to as the “Bonds”) in an aggregate principal amount not to exceed
18 \$143,374,815, which will be repaid from and secured by the taxes allocated to and paid to
19 OCII pursuant to the Law and to Section 16 of Article XVI of the California Constitution; and

20 WHEREAS, In addition to the activities programmed in the FY2018-2019 Budget, OCII
21 may have opportunities to refund existing debt at lower interest rates to reduce debt service
22 costs; and

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

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

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

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

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

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

25

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

7 RESOLVED, By the Board of Supervisors that it does hereby approve the Budget, as
8 shown in Exhibit “A” attached hereto and incorporated as if set forth in full herein; and be it

9 FURTHER RESOLVED, The Board of Supervisors conditionally approves the issuance
10 of the Bonds by OCII in the principal amount not to exceed \$143,374,815 which will be used
11 in FY 2018-19 for the purpose of financing a portion of its Budget and related costs of
12 issuance, and the application of a portion of the proceeds of which to reimburse the OCII for
13 amounts spent under its Budget prior to the issuance of the Bonds; provided, however, that
14 the Successor Agency Commission, Oversight Board and DOF subsequently approve the
15 issuance of the Bonds; and, be it

16 FURTHER RESOLVED, That OCII is authorized to accept and expend any pledged tax
17 increment from the project areas covered by the Mission Bay Pledges, the Transbay Pledge,
18 and the Candlestick Point-Shipyard Phase 2 Pledge that may be received during
19 FY2018-2019 in excess of amounts included in the Budget attached hereto as Exhibit “A,” in
20 accordance with enforceable obligations, and subject to any approvals that are required from
21 OCII’s Oversight Board and DOF.

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23 Exhibit A: OCII Proposed FY 2018-19 Budget
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