

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

**RESOLUTION NO. 23-2018**

*Adopted May 1, 2018*

**APPROVING A BUDGET FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019,  
AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET  
AND INTERIM BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF  
SUPERVISORS**

WHEREAS, In accordance with the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq., and with San Francisco Ordinance No. 215-12 (Oct. 4, 2012), the Office of Community Investment and Infrastructure ("OCII"), as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, is a separate legal entity from the City and 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. In particular, the Board of Supervisors has final budget approval authority over the OCII in its annual budget process in accordance with Section 33606 of the California Health and Safety Code; and,

WHEREAS, On April 14, 2018 the California Department of Finance ("DOF"), subject to several adjustments, approved OCII's 2018-2019 Annual Recognized Obligation Payment Schedule ("ROPS"), which is consistent with the Fiscal Year 2018-2019 Proposed Budget; and,

WHEREAS, On April 17, 2018, the OCII Commission held a workshop on the Proposed Fiscal Year 2018-2019 Budget attached as Attachment A to this Resolution; and,

WHEREAS, The Fiscal Year 2018-2019 Proposed Budget includes, among other things, the use of property tax revenues (formerly tax increment revenues) from various project areas of the former Redevelopment Agency of the City and County of San Francisco to pay for certain enforceable obligations consistent with Section 34177.7 of the California Health and Safety Code and with Board of Supervisors Resolution No. 538-16 (Dec. 22, 2016); and,

WHEREAS, In addition to the revenues included in the Fiscal Year 2018-2019 Proposed Budget, OCII may receive additional property tax increment under the Mission Bay North Tax Increment Allocation Pledge Agreement and the Mission Bay South Tax Increment Allocation Pledge Agreement ("Mission Bay Pledges"), the Tax Increment Allocation Pledge Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard ("CP-HPS Pledge"), and the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (Transbay Pledge"). DOF has finally and conclusively determined that the Mission Bay Pledges, the CP-HPS Pledge, and the Transbay Pledge ("collectively the OCII Pledge Agreements") are enforceable obligations of OCII under Redevelopment Dissolution Law; and,

- WHEREAS, In addition to the revenues included in the Fiscal Year 2018-2019 Proposed Budget, OCII may receive interest on bond proceeds and restricted Community Block Development Grant revenues that are associated with OCII's real property assets; and,
- WHEREAS, In addition to the activities programmed in the Fiscal Year 2018-2019 Proposed Budget, OCII may have opportunities to refund existing debt at lower interest rates to reduce debt service costs; and,
- WHEREAS, At the direction of OCII, the Controller is authorized to pay issuance costs, transfer funds to comply with refunding requirements, and adjust the budget to reconcile estimated debt service and bond proceed amounts with actual debt service and bond proceed amounts, as reflected in the bond documents; and,
- WHEREAS, The Controller is also 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, OCII serves as the administrator of certain Community Facilities Districts ("CFDs") listed in Table A1 of the OCII Fiscal Year 2018-2019 Proposed Budget, created under the provisions of the Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (known as the "Mello-Roos Act"), and is responsible to make debt service payments and make other expenditures in fulfillment of other obligations associated with the CFDs; 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, 2018 until the Board of Supervisors finally passes OCII's annual budget; and,
- WHEREAS, The interim budget is based on the proposed annual budget; and,
- WHEREAS, Approval of the Fiscal Year 2018-2019 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 since it does not authorize a commitment to any specific project which may result in a physical change in the environment; now, therefore be it
- RESOLVED, That this Commission authorizes OCII to expend, subject to any ROPS or contract approval that may be necessary, the property tax and other revenues subject to the OCII Pledge Agreements that may be received in excess of amounts included in the Fiscal Year 2018-2019 Proposed Budget; 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 further

RESOLVED, That the OCII Commission approves the Proposed Budget for the period July 1, 2018 through June 30, 2019, attached to this Resolution as Attachment A, and furthermore authorizes the Executive Director to transmit the Fiscal Year 2018-2019 Proposed Budget, and 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 Proposed Budget that may be proposed during review by the Mayor or Board of Supervisors, provided that the Executive Director shall seek Commission approval for any material changes to the budget; and be it finally

RESOLVED, That this Commission authorizes, consistent with enforceable obligations, the availability of funds, and an 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 Fiscal Year 2018-2019 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.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 1, 2018.

  
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Commission Secretary

EXHIBIT A: OCII Proposed Fiscal Year 2018-2019 Budget