

1 [Office of Community Investment and Infrastructure, Operating as Successor Agency to the  
2 San Francisco Redevelopment Agency - FY2019-2020 Budget - Bond Issuance Not to  
3 Exceed \$40,714,400]

4 **Resolution approving the FY2019-2020 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 of Bonds by OCII in an aggregate**  
7 **principal amount not to exceed \$40,714,400.**

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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 28, 2019, the Oversight Board approved, by Resolution 1-  
25 2019, the ROPS for July 1, 2019, to June 30, 2020, (“ROPS 19-20”), which the California

1 Department of Finance (“DOF”) approved on April 15, 2019, subject to several adjustments;  
2 the ROPS lists, among other things, OCII’s total outstanding debts or obligations and its  
3 expenditures for FY2019-2020; and

4 WHEREAS, The Law and Ordinance No. 215-12 authorize the Successor Agency  
5 Commission (“OCII Commission”) to issue bonds to carry out enforceable obligations, subject  
6 to approval of the OCII’s Oversight Board and DOF; and

7 WHEREAS, Consistent with the expenditures approved in the ROPS, the Successor  
8 Agency Commission (commonly known as the Commission on Community Investment and  
9 Infrastructure) approved, by Resolution No. 11-2019 (May 7, 2019), its annual budget for  
10 FY2019-20 (the “Budget”) and authorized the Executive Director to submit the Budget for  
11 review and approval to the Mayor and the Board of Supervisors; and

12 WHEREAS, OCII proposes to issue bonds to finance, in FY2019-20, a portion of its  
13 enforceable obligations, but has not yet received approval from the Oversight Board and DOF  
14 for this bond financing; and

15 WHEREAS, The Budget may require OCII to enter into loans and/or to issue, or to  
16 cause to be loaned and/or issued on its behalf by a public finance authority, bonds, notes, or  
17 other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness  
18 being referred to as the “Bonds”) in an aggregate principal amount not to exceed \$40,714,400  
19 which will be repaid from and secured by the taxes allocated to and paid to OCII pursuant to  
20 the Law and to Section 16 of Article XVI of the California Constitution; and

21 WHEREAS, In addition to the activities programmed in the FY2019-20 Budget, OCII  
22 may have opportunities to refund existing debt at lower interest rates to reduce debt service  
23 costs; and

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

4           WHEREAS, The Former Agency and the City entered into Tax Increment Allocation  
5 Pledge Agreements for each of the Redevelopment Project Areas in Mission Bay North  
6 (Board of Supervisors Resolution No. 884-98 (Oct. 30, 1998); Agency Resolution No. 188-98  
7 (Sep. 17, 2998)) and Mission Bay South (Board of Supervisors Resolution No. 887-98 (Nov.  
8 2, 1998); Agency Resolution No. 193-98 (Sep. 17, 2998)) (together the “Mission Bay  
9 Pledges”) for the purpose of irrevocably pledging net available tax increment from these areas  
10 to pay for the costs of public infrastructure and affordable housing required in Mission Bay  
11 North and Mission Bay South Project Areas; 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 (Board of Supervisors Ordinance No. 99-06 (May 19, 2006); Agency Resolution No. 13-2005  
15 (Jan. 25, 2005)) for the purpose of irrevocably pledging net available tax increment and sales  
16 proceeds from formerly State-owned parcels in the Transbay Redevelopment Project Area  
17 (“Transbay Pledge”) to the Transbay Joint Powers Authority to pay for the costs of designing  
18 and constructing the Transbay Terminal Project and affordable housing required in the  
19 Transbay Redevelopment Project Area; and

20           WHEREAS, The Former Agency and the City entered into a Tax Increment Allocation  
21 Pledge Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard (Board of  
22 Supervisors Resolution No. 349-10 (Aug. 3, 2010); Agency Resolution No. 69-2010 (June 3,  
23 2010)) from the Candlestick Point area (Zone 1) of the Bayview Hunters Point Redevelopment  
24 Project Area and from the Hunters Point Shipyard Redevelopment Project Area (other than  
25 the Hunters Point Hill Residential District) (“Candlestick Point-Shipyard Phase 2 Pledge”) for

1 the purpose of pledging net available tax increment to pay for the costs of public infrastructure  
2 and affordable housing required in Zone 1 of the Bayview Hunters Point Redevelopment  
3 Project Area and the Hunters Point Shipyard Redevelopment Project Area Phase 2; and

4 WHEREAS, The total outstanding debts or obligations described in the ROPS and  
5 various enforceable obligations support the allocation of property tax revenues (formerly tax  
6 increment revenues) under the Mission Bay Pledges, the Transbay Pledge, and the  
7 Candlestick Point-Shipyard Phase 2 Pledge; and

8 WHEREAS, The Budget includes, among other things, the use of property tax  
9 revenues (formerly tax increment revenues) from various project areas of the Former Agency  
10 to pay for certain enforceable obligations consistent with the authority granted under Section  
11 34177.7 of the California Health and Safety Code and under Board of Supervisors Resolution  
12 No. 538-16 (Dec. 22, 2016); and

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

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

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

23 FURTHER RESOLVED, The Board of Supervisors conditionally approves the issuance  
24 of the Bonds by OCII in the principal amount not to exceed \$40,714,400 which will be used in  
25 FY2019-20 for the purpose of financing a portion of its Budget and related costs of issuance,

1 and the application of a portion of the proceeds of which to reimburse the OCII for amounts  
2 spent under its Budget prior to the issuance of the Bonds; provided, however, that the  
3 Successor Agency Commission, Oversight Board and DOF subsequently approve the  
4 issuance of the Bonds; and, be it

5           FURTHER RESOLVED, That OCII is authorized to accept and expend any pledged tax  
6 increment from the project areas covered by the Mission Bay Pledges, the Transbay Pledge,  
7 and the Candlestick Point-Shipyard Phase 2 Pledge that may be received during Fiscal Year  
8 2019-20 in excess of amounts included in the Budget attached hereto as Exhibit "A," in  
9 accordance with enforceable obligations, and subject to any approvals that are required from  
10 OCII's Oversight Board and DOF.

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12 Exhibit A:     OCII Proposed FY 2019-20 Budget

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