



Exhibit A

# Proposed FY21-22 Budget

**Table of Contents**

1. Background ..... 1

2. Program Summary ..... 2

3. Land Use and Infrastructure ..... 9

4. Housing Obligations ..... 11

5. Other Projects Area Activities Summary ..... 14

6. Community and Workforce Development ..... 15

7. Racial Equity Planning ..... 17

8. Debt ..... 18

9. Operations Budget ..... 21

10. Budgeted Positions ..... 24

Appendix 1. Community Facilities Districts ..... 25

## **1. Background**

On February 1, 2012, the State of California dissolved the San Francisco Redevelopment Agency (“SFRA”) along with all 400 redevelopment agencies in California under Cal. Health & Safety Code §§ 34170 et seq (“Dissolution Law”). Pursuant to the Dissolution Law and to Board of Supervisors (“BOS”) Ordinance 215-12, the Office of Community Investment & Infrastructure (“OCII”) is the Successor Agency to the SFRA.

OCII is charged with completing work related to approved enforceable obligations. Those enforceable obligations are related to: (1) the Projects defined in BOS Ordinance No. 215-12 as the Mission Bay North and South Projects, the Transbay Project, and the Hunters Point Shipyard/Candlestick Point Project; (2) management of SFRA assets, existing economic development agreements such as loans, grants, or owner participation agreements, and other real property and assets of SFRA that must be wound down under the Dissolution Law; and (3) OCII’s Retained Affordable Housing Obligations.

### **Governance**

Ordinance 215-12 establishes the Successor Agency Commission as the main governing body of OCII. The Commission provides financial and policy oversight and exercises land use and design approval authority for the Projects. The Commission is comprised of five members appointed by the Mayor and confirmed by the Board of Supervisors, with two of the seats held by residents of the two supervisorial districts that contain the largest amounts of the Projects.

Dissolution Law requires there be a governing body known as an Oversight Board (“OB”). The OB has a fiduciary duty to the holders of enforceable obligations with the former SFRA and to the taxing entities that are entitled to an allocation of property taxes. The OB reviews and approves OCII’s expenditures and use of tax increment through the annual Recognized Obligation Payment Schedules. The OB also approves the issuance of bonds, transfers of property, and other matters related to the dissolution of SFRA. The Mayor appoints four of the seven members of the OB, subject to confirmation by the Board of Supervisors. One of those four members represents the largest group of former OCII employees. The remaining three members are representatives of affected taxing entities: the Bay Area Rapid Transit District, the San Francisco Unified School District, and the San Francisco Community College.

Dissolution Law establishes that OCII is a separate entity from the City and County of San Francisco (“CCSF”), as was the SFRA. However, under BOS Ordinance No. 215-12, the BOS, in its capacity as the legislative body for CCSF, must still approve OCII’s annual budget (Cal Health & Safety Code § 33606). Accordingly, the OCII’s budget must be approved first by the Commission and subsequently approved by the Mayor and Board of Supervisors.

## **2. Program Summary**

OCII's primary activity is funding and facilitating delivery of affordable housing and infrastructure in the project areas of Mission Bay North and South, Transbay, and Hunters Point Shipyard/Candlestick Point. OCII's programmatic spending reflects this mission. Much of OCII staff time is spent on working closely with development partners and City agencies on land use plans and the associated permits and maps necessary to build these new communities. Additional details on OCII's staffing efforts related to that review, as well as information on FY21-22 programmatic goals for the delivery of public infrastructure (such as parks and open spaces), affordable housing units, and support of community benefits and workforce development can be found in the subsequent sections. Below are brief summaries OCII's three Projects, along with FY21-22 program highlights.

### **Mission Bay North and South**

The project areas of Mission Bay North and Mission Bay South, together referred to as Mission Bay, were established in 1998 to create a vibrant transit-oriented and mixed-use community that will result in 6,535 residential units (29 percent of which will be affordable), 5.2 million square feet of office and biotechnology space, 560,000 square feet of retail uses, a new University of California San Francisco ("UCSF") research campus and medical center including a 550-bed hospital, 18,000-seat event center, 129-room and 300-room hotels, library, school, police headquarters, and a local police and fire department. Mission Bay contains 49 acres of open space, approximately 41 of which are owned by the City (master leased by and managed by OCII) and approximately eight of which are owned by UCSF. The master developer of the Mission Bay Project, FOCIL MB, is responsible for constructing public infrastructure and parks pursuant to two Owner Participation Agreements. OCII reimburses the developer for constructed infrastructure. OCII is responsible for approving the land uses and designs of both the public and private development projects and directly funds affordable housing in Mission Bay. Completion of the Mission Bay Project is anticipated in six to eight years and will result in construction of more than \$900 million of new infrastructure, development of over \$8 billion in private vertical development, and creation of 31,000 permanent jobs. The Mission Bay Redevelopment Plans will expire in late 2028.

To date 6,060 residential units, 3.991 million square feet of office and biotechnology space, 540,000 square feet of retail uses, a 550-bed hospital, an 18,000-seat event center, 68 percent of the UCSF research campus and 30 acres of open space have been built. In FY21-22, OCII will continue to reimburse the master developer for completed infrastructure using a combination of tax allocation bond proceeds, property tax increment, and Community Facility District ("CFD") funds. OCII will also monitor the construction and completion of 141 affordable housing units on Block 9 and the construction start of 148 units of for sale affordable housing on Block 9A, continue

to review designs and permits for open spaces and private commercial development, and plan for the use of public art fees contributed by various developers. One park will complete construction in FY21-22, and OCII will incorporate these completed parks into its existing contract with a third-party parks manager, which is funded through maintenance CFD #5. The parks management contract will expire at the end of FY 21-22, so OCII will issue a Request for Proposals for those services. Also, in FY 21-22, UCSF will begin construction of another medical building, and the 299-room hotel at Block 1 will complete construction.

## **Transbay**

The Transbay Project was established in 2005 and is located primarily between Folsom and Howard Streets, east of 2nd Street, and west of Spear and Main Streets. A small portion of the Transbay Project extends south of Folsom Street along Essex Street to Harrison Street. The Transbay Project consists of two zones. Zone 1 is under the land use authority of OCII and consists of twelve blocks of land, eleven of which were formerly owned by the State. Zone 2 is under the City Planning Department's jurisdiction, and includes the Salesforce Transit Center and two former State-owned parcels. OCII is responsible for funding the design and construction of two new parks, streetscape improvements on Folsom Street, selling designated formerly State-owned parcels to fund construction of the Transit Center, forming partnerships with for-profit and non-profit developers to build housing, and directly funding affordable housing. Thirty-five percent of all new housing units in the entire Transbay Project Area will be affordable. After the entirety of all the former State-owned and OCII parcels have been fully built out, the Transbay Project will have contributed approximately 3,830 residential units, 2.5 million square feet of office, 94,000 square feet of retail, and 9 acres of open space to the neighborhood.

In Zone 1, all of the office space is complete, and 2,196 residential units have been built. In FY21-22, 1,003 units in Zone 1 will be in the planning phase. The 1,003 units in the planning phase consist of several projects, two of which will occupy the northern and southern ends of the former Transbay Temporary Bus Terminal site. The first is a large mixed-income residential project on Block 4, which may require amendments to the Redevelopment Plan and associated design controls to allow for maximum efficiency of the site. Second, two stand-alone affordable housing projects subsidized by OCII are proposed for Block 2. OCII is in negotiations with a development team on Block 4 and has approved agreements with two development teams for Block 2. Another project is Block 12, a future affordable housing site that will be constructed after the Caltrain rail tunnel is extended from its current terminus at the 4<sup>th</sup> and King Street station to the new Salesforce Transit Center. Since Block 12 sits atop the future rail extension's route OCII cannot move its development forward until after the new rail infrastructure is completed, the timing of which is to be determined.

In compliance with its infrastructure obligations, OCII may disburse funds, in FY21-22 through

an existing contract with San Francisco Public Works (“SFPW”) to close out payments on a major streetscape construction project on Folsom Street between Essex and Spear Streets that completed construction in FY 20-21. OCII will also disburse funds through existing contracts with SFPW and third-party design consultants to facilitate the design and predevelopment activities associated with two future parks: the nearly 2.45-acre Under-ramp Park, which will be located underneath the Fremont off-ramp and the bus ramp to the Salesforce Transit Center, and the 1-acre Block 3 Park that will occupy the middle section of the current Temporary Bus Terminal. Since construction on the permanent development for the various projects on the Temporary Terminal site won’t begin in FY 21-22, OCII intends to enter into agreements to provide interim activation of the site.

### **Hunters Point Shipyard and Candlestick Point**

The Hunters Point Shipyard/Candlestick Point Project is composed of approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the Shipyard Redevelopment Plan in 1997 and amended it in 2010, along with the Bayview Hunters Point Redevelopment Plan. These amendments added the Candlestick Point portion of the Bayview Hunters Point Redevelopment Plan to the Project to facilitate integrated development of the Hunters Point Shipyard and Candlestick Point Projects. Hunters Point Shipyard will be developed in two distinct phases by different master developers: Lennar, which is developing Hunters Point Shipyard Phase 1, and FivePoint, which is developing Hunters Point Shipyard Phase 2/Candlestick Point. Together, the entire Hunters Point Shipyard/Candlestick Point Project will generate more than 12,100 units of housing (of which approximately one-third will be affordable), 326 acres of parks, over 4.4 million square feet of commercial space, and approximately \$89 million of community benefits such as homeowner assistance, workforce development, job training, educational assistance, and contributions to South East Health Center.

In the Shipyard, OCII will focus on affordable housing, street acceptance, park management, and upgrading Building #101. To date, a total of 842 units have been built at Hunters Point Shipyard Phase 1 and Candlestick Point, including the first four phases of a revitalized Alice Griffith public housing development. In FY 21-22, OCII hopes to begin construction on three OCII funded affordable housing buildings. Blocks 52/54 and 56 total approximately 185 units. A third-party Community Developer intends to begin construction 224 units on Block 1. OCII will continue to work with Lennar to facilitate the City’s acceptance of streets at Hunters Point Shipyard Phase 1 and will seek to enter into a contract with a third-party parks manager funded by maintenance CFD #8. OCII owns the artists’ studio building known as “Building 101.” In FY21-22, OCII will continue to implement an existing contract with SFPW to design and implement significant upgrades to this artists’ building. This contract is funded by two federal Economic Development Administration grants.

At Candlestick Point, OCII staff will work with FivePoint and various City departments to facilitate public street acceptance surrounding the Alice Griffith neighborhood. Both Lennar and FivePoint have made significant monetary contributions in accordance with their Community Benefits Agreements. OCII will utilize this funding for contracts with community non-profits to administer scholarships, contractor assistance, and other community development programs.

### **Year-Over-Year Comparison and Budget Summary**

As shown in Exhibit 1, the proposed FY21-22 budget of \$565.8 million represents an increase of \$38.6 million from the FY20-21 budget of \$527.3 million. Of this amount, \$469.4 million in uses is new budget authority and \$96.4 million is Prior Period Authority carried forward from FY20-21. Prior Period Authority is expenditure carried forward from prior fiscal years, including affordable housing loans awarded but not drawn down and multi-year construction budgets.

Changes to current year revenue sources compared to FY20-21 are primarily due to an increase in new bonds issued to fund affordable housing. These increases are offset by a decrease in Prior Period Authority non-housing (“PPA”) due to spending down on existing construction projects and use of prior year funds instead, instead of property tax increment, to fund Mission Bay projects. The decrease in PPA non-housing is also due to a technical adjustment to reclassify Mission Bay property tax received in prior years from PPA to Fund Balance to more appropriately reflect the authority received to expend these funds.

Changes to current year uses compared to FY20-21 are primarily due to an increase in affordable housing loans. This increase is offset by a decrease in development infrastructure costs due to prior-year spending on Folsom Streetscape and a shift in timing of infrastructure reimbursement in Mission Bay.

[This section is intentionally left blank]

## Exhibit 1: Proposed FY21-22 Budget Compared to FY19-20 Budget, *Millions\**

	FY 20-21 Budgeted	FY 21-22 Proposed	YOY Difference
<b>Sources</b>			
Property Tax Increment - TAB Debt Service	\$ 63.2	\$ 75.3	\$ 12.0
Property Tax Increment - Debt Portfolio	\$ 2.3	\$ 2.0	\$ (0.3)
Property Tax Increment - Mission Bay	\$ 49.4	\$ 27.1	\$ (22.2)
Property Tax Increment - HPS2/CP	\$ 1.0	\$ 1.1	\$ 0.2
Property Tax Increment - State Owned TBY	\$ 21.7	\$ 30.2	\$ 8.5
Property Tax Increment - Other	\$ 7.9	\$ 8.3	\$ 0.4
Property Tax Increment - ACA	\$ 4.5	\$ 4.3	\$ (0.2)
<b>Subtotal CY Property Tax Increment</b>	<b>\$ 149.9</b>	<b>\$ 148.3</b>	<b>\$ (1.6)</b>
		\$	-
New Bonds - Housing	\$ -	\$ 119.8	\$ 119.8
New Bonds - Infra	\$ 15.5		\$ (15.5)
<b>Subtotal CY New Bonds</b>	<b>\$ 15.5</b>	<b>\$ 119.8</b>	<b>\$ 104.3</b>
Developer Payments	\$ 16.5	\$ 62.8	\$ 46.3
<b>Subtotal CY Developer Payments</b>	<b>\$ 16.5</b>	<b>\$ 62.8</b>	<b>\$ 46.3</b>
Rent & Lease Revenue	\$ 2.3	\$ 0.4	\$ (1.9)
Payments from Other Gov Entities	\$ 4.0	\$ 3.3	\$ (0.7)
Hotel Tax	\$ 4.5	\$ 4.5	\$ 0.0
<b>Subtotal CY Other</b>	<b>\$ 10.8</b>	<b>\$ 8.2</b>	<b>\$ (2.6)</b>
Fund Balance - Housing	\$ 97.3	\$ 77.4	\$ (19.9)
Fund Balance - Non-Housing	\$ 11.4	\$ 52.9	\$ 41.5
<b>Subtotal CY Fund Balance</b>	<b>\$ 108.7</b>	<b>\$ 130.3</b>	<b>\$ 21.6</b>
Prior Period Authority - Housing	\$ 24.9	\$ 29.1	\$ 4.2
Prior Period Authority - Non-Housing	\$ 201.0	\$ 67.3	\$ (133.6)
<b>Subtotal CY Prior Period Authority</b>	<b>\$ 225.9</b>	<b>\$ 96.4</b>	<b>\$ (129.4)</b>
<b>Total CY Sources</b>	<b>\$ 527.3</b>	<b>\$ 565.8</b>	<b>\$ 38.6</b>
<b>Uses</b>			
<b>Uses - Operations</b>			
Operational Salaries and Benefits	\$ 10.4	\$ 9.2	\$ (1.2)
Affordable Housing Services	\$ 1.4	\$ 1.1	\$ (0.3)
Rent	\$ 1.1	\$ 0.9	\$ (0.2)
Retiree Health and Pension Costs	\$ 4.2	\$ 4.6	\$ 0.4
Auditing & Accounting Services	\$ 0.3	\$ 0.3	\$ -
Legal Services	\$ 1.4	\$ 1.4	\$ 0.0
Planning & Infrastructure Rvw	\$ 6.7	\$ 6.7	\$ (0.0)
Real Estate Development Services	\$ 0.1	\$ 0.0	\$ (0.1)
Workforce Development Services	\$ 0.4	\$ 0.1	\$ (0.2)
Other Professional Services	\$ 4.6	\$ 10.9	\$ 6.3
Grants to Community-Based Organizations	\$ 2.4	\$ 4.1	\$ 1.7
Payments to Other Public Agencies	\$ 0.4	\$ 0.4	\$ -
Other Current Expenses	\$ 1.2	\$ 1.5	\$ 0.3
<b>Subtotal CY Uses - Operations</b>	<b>\$ 34.6</b>	<b>\$ 41.2</b>	<b>\$ 6.6</b>
<b>Uses - Non-Operations</b>			
Affordable Housing Loans	\$ 96.8	\$ 239.7	\$ 142.9
Development Infrastructure	\$ 196.8	\$ 98.7	\$ (98.1)
Pass-through to TJPA	\$ 21.1	\$ 30.2	\$ 9.1
Debt Service - OCII TAB Bonds	\$ 97.3	\$ 103.6	\$ 6.3
Public Art	\$ 1.1	\$ 1.1	\$ 0.0
Other Debt	\$ 19.9	\$ 6.3	\$ (13.7)
<b>Subtotal CY Uses - Non-Operations</b>	<b>\$ 433.1</b>	<b>\$ 479.6</b>	<b>\$ 46.5</b>
Prior Period Authority - Housing	\$ 24.9	\$ 29.1	\$ 4.2
Prior Period Authority - Non-Housing	\$ 34.7	\$ 16.0	\$ (18.8)
<b>Subtotal CY Prior Period Authority</b>	<b>\$ 59.6</b>	<b>\$ 45.1</b>	<b>\$ (14.6)</b>
<b>Total CY Uses</b>	<b>\$ 527.3</b>	<b>\$ 565.8</b>	<b>\$ 38.6</b>
<b>Sources vs. Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*\*Dollar amounts will be slightly off due to rounding.*



As shown in Exhibit 2, of the \$400.1 million budgeted to direct programmatic needs, OCII will expend \$269.3 million on affordable housing, \$126.5 million on infrastructure and other non-housing activities, and \$4.3 million on community development and workforce activities. OCII will fund these activities using primarily Property Tax, Fund Balance, and PPA. Fund balance reflects funds received in a prior year that OCII is budgeting for the first time in FY21-22. PPA reflects budget approved in prior years that OCII will expend over time.

**Exhibit 2: Proposed FY21-22 Budget Programmatic Summary, Millions\***

Uses	Sources	Property Tax	Developer Payments	New Bonds - Infra	Rent & Lease Revenue	Fund Balance	Prior Period Authority	Other	Total	Percent
<b>Direct Program Spending</b>										
Affordable Housing		\$ -	\$ 48.0	\$ -	\$ -	\$ 75.7	\$ 29.1	\$ -	\$ 269.3	47.6%
Infrastructure & Other Non-Housing		\$ 3.3	\$ 7.9	\$ -	\$ -	\$ 48.0	\$ 67.3	\$ -	\$ 126.5	22.4%
Comm Dev & Workforce		\$ -	\$ 2.1	\$ -	\$ -	\$ 2.2	\$ -	\$ -	\$ 4.3	0.8%
<b>Direct Programmatic Subtotal</b>		<b>\$ 3.3</b>	<b>\$ 58.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 125.9</b>	<b>\$ 96.4</b>	<b>\$ -</b>	<b>\$ 400.1</b>	<b>70.7%</b>
<b>Indirect Program Spending</b>										
Asset Management		\$ 0.3	\$ -	\$ -	\$ 0.0	\$ -	\$ -	\$ 2.9	\$ 3.2	0.6%
Project Mgmt & Operations		\$ 10.3	\$ 4.8	\$ -	\$ -	\$ 3.2	\$ -	\$ 0.4	\$ 19.1	3.4%
Debt		\$ 104.2	\$ -	\$ -	\$ -	\$ 1.2	\$ -	\$ 4.5	\$ 112.9	19.9%
TJPA Pass-through		\$ 30.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.2	5.3%
Other		\$ -	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ 0.4	0.1%
<b>Indirect Programmatic SubTotal</b>		<b>\$ 145.0</b>	<b>\$ 4.8</b>	<b>\$ -</b>	<b>\$ 0.4</b>	<b>\$ 4.4</b>	<b>\$ -</b>	<b>\$ 7.8</b>	<b>\$ 165.8</b>	<b>29.3%</b>
<b>Total</b>		<b>\$ 148.3</b>	<b>\$ 62.8</b>	<b>\$ -</b>	<b>\$ 0.4</b>	<b>\$ 130.3</b>	<b>\$ 96.4</b>	<b>\$ 7.8</b>	<b>\$ 565.8</b>	<b>100.0%</b>
		26.2%	11.1%	0.0%	0.1%	23.0%	17.0%	1.4%	100.0%	

\*Dollar amounts will be slightly off due to rounding.

In order to support the delivery of these direct programmatic activities, the Proposed FY21-22 Budget includes funding for indirect program expenditures, such as asset management, project management and operations, debt, and Transbay Joint Powers Authority (“TJPA”) Pass-through obligation, which is a pass-through of pledged property tax to the TJPA. Exhibit 2 shows a total of \$165.8 million budgeted to these indirect programmatic expenditures, which are primarily supported through property tax and other revenues including, payments from other government entities and hotel tax.

Exhibit 3 shows the total Proposed FY21-22 Budget by Project and cost center. The column headers describe Operations, Debt, and OCII’s major active projects: Hunters Point Shipyard Phase 1 and Phase 2 / Candlestick Point (“Hunters Point Shipyard / Candlestick Point”) or (“HPS/CP”), Mission Bay North (“MBN”), Mission Bay South (“MBS”), and Transbay (“TBY”). Expenditures unrelated to the major active project areas, Operations, or Debt are rolled up and shown in the Other column. Exhibit 3 integrates the proposed budget for affordable housing into the appropriate project area, according to each project’s location.

### Exhibit 3: Proposed FY21-22 Budget by Project Area/Cost Center, *Millions\**

Sources	Operations	Debt	HPS / CP	MBN	MBS	TBY	Other	Total
Property Tax Increment - TAB Debt Service	\$ -	\$ 75.3	\$ -	\$ -	\$ -	\$ -	\$ -	75.3
Property Tax Increment - Debt Portfolio	\$ -	\$ 2.0	\$ -	\$ -	\$ -	\$ -	\$ -	2.0
Property Tax Increment - Mission Bay	\$ -	\$ 27.1	\$ -	\$ -	\$ -	\$ -	\$ -	27.1
Property Tax Increment - HPS2/CP	\$ -	\$ -	\$ 1.1	\$ -	\$ -	\$ -	\$ -	1.1
Property Tax Increment - State Owned TBY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.2	\$ -	30.2
Property Tax Increment - Other	\$ 4.9	\$ -	\$ 0.8	\$ -	\$ -	\$ 2.6	\$ -	8.3
Property Tax Increment - ACA	\$ 4.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4.3
<b>Subtotal CY Property Tax Increment</b>	<b>\$ 9.2</b>	<b>\$ 104.4</b>	<b>\$ 1.9</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32.8</b>	<b>\$ -</b>	<b>148.3</b>
New Bonds - Infra	\$ -	\$ 3.3	\$ 40.8	\$ -	\$ 75.7	\$ -	\$ -	119.8
<b>Subtotal CY New Bonds</b>	<b>\$ -</b>	<b>\$ 3.3</b>	<b>\$ 40.8</b>	<b>\$ -</b>	<b>\$ 75.7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>119.8</b>
Developer Payments	\$ 0.1	\$ -	\$ 12.0	\$ 0.0	\$ 0.5	\$ 50.0	\$ 0.2	62.8
<b>Subtotal CY Developer Payments</b>	<b>\$ 0.1</b>	<b>\$ -</b>	<b>\$ 12.0</b>	<b>\$ 0.0</b>	<b>\$ 0.5</b>	<b>\$ 50.0</b>	<b>\$ 0.2</b>	<b>62.8</b>
Rent & Lease Revenue	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	0.4
Payments from Other Gov Entities	\$ 0.4	\$ -	\$ 2.9	\$ -	\$ -	\$ -	\$ -	3.3
Hotel Tax	\$ -	\$ 4.5	\$ -	\$ -	\$ -	\$ -	\$ -	4.5
<b>Subtotal CY Other</b>	<b>\$ 0.4</b>	<b>\$ 4.5</b>	<b>\$ 3.3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8.2</b>
Fund Balance - Housing	\$ -	\$ -	\$ 64.9	\$ -	\$ 5.0	\$ 7.5	\$ -	77.4
Fund Balance - Non-Housing	\$ 0.4	\$ 1.2	\$ 3.8	\$ 17.7	\$ 29.8	\$ -	\$ -	52.9
<b>Subtotal CY Budget Sources</b>	<b>\$ 0.4</b>	<b>\$ 1.2</b>	<b>\$ 68.8</b>	<b>\$ 17.7</b>	<b>\$ 34.7</b>	<b>\$ 7.5</b>	<b>\$ -</b>	<b>130.3</b>
Prior Period Authority - Housing	\$ -	\$ -	\$ 8.3	\$ -	\$ 20.8	\$ -	\$ -	29.1
Prior Period Authority - Non-Housing	\$ -	\$ -	\$ -	\$ -	\$ 45.6	\$ 14.9	\$ 6.8	67.3
<b>Subtotal CY Sources - Prior Period Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8.3</b>	<b>\$ -</b>	<b>\$ 66.5</b>	<b>\$ 14.9</b>	<b>\$ 6.8</b>	<b>96.4</b>
<b>Total CY Sources</b>	<b>\$ 10.1</b>	<b>\$ 113.5</b>	<b>\$ 134.9</b>	<b>\$ 17.7</b>	<b>\$ 177.4</b>	<b>\$ 105.2</b>	<b>\$ 7.0</b>	<b>565.8</b>
<b>Uses</b>								
<b>Uses - Operations</b>								
Allocated Staff & Operating Expenses	\$ (9.0)	\$ 0.6	\$ 3.2	\$ 0.1	\$ 2.5	\$ 2.3	\$ 0.2	0.0
Operational Salaries and Benefits	\$ 9.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9.2
Affordable Housing Services	\$ 1.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.1
Rent	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.9
Retiree Health and Pension Costs	\$ 4.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4.6
Auditing & Accounting Services	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.3
Legal Services	\$ 0.3	\$ -	\$ 1.1	\$ -	\$ -	\$ 0.1	\$ -	1.4
Planning & Infrastructure Rvw	\$ 0.0	\$ -	\$ 5.0	\$ -	\$ -	\$ 1.7	\$ -	6.7
Real Estate Development Services	\$ -	\$ -	\$ 0.0	\$ -	\$ -	\$ -	\$ -	0.0
Workforce Development Services	\$ 0.1	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ -	0.1
Other Professional Services	\$ 1.2	\$ 3.0	\$ 1.4	\$ -	\$ 4.4	\$ 1.0	\$ -	10.9
Grants to Community-Based Organizations	\$ -	\$ -	\$ 4.1	\$ -	\$ -	\$ -	\$ -	4.1
Payments to Other Public Agencies	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	0.4
Other Current Expenses	\$ 1.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.5
<b>Subtotal CY Uses - Operations</b>	<b>\$ 10.1</b>	<b>\$ 3.6</b>	<b>\$ 15.2</b>	<b>\$ 0.1</b>	<b>\$ 6.9</b>	<b>\$ 5.1</b>	<b>\$ 0.2</b>	<b>41.2</b>
<b>Uses - Non-Operations</b>								
Affordable Housing Loans	\$ -	\$ -	\$ 105.5	\$ -	\$ 79.2	\$ 55.0	\$ -	239.7
Development Infrastructure	\$ -	\$ -	\$ 2.8	\$ 17.6	\$ 69.4	\$ 2.2	\$ 6.8	98.7
Pass-through to TJPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30.2	\$ -	30.2
Debt Service - OCII TAB Bonds	\$ -	\$ 103.6	\$ -	\$ -	\$ -	\$ -	\$ -	103.6
Public Art	\$ -	\$ -	\$ -	\$ -	\$ 1.1	\$ -	\$ -	1.1
Other Debt	\$ -	\$ 6.3	\$ -	\$ -	\$ -	\$ -	\$ -	6.3
<b>Subtotal CY Uses - Non-Operations</b>	<b>\$ -</b>	<b>\$ 109.9</b>	<b>\$ 108.2</b>	<b>\$ 17.6</b>	<b>\$ 149.7</b>	<b>\$ 87.4</b>	<b>\$ 6.8</b>	<b>479.6</b>
Prior Period Authority - Housing	\$ -	\$ -	\$ 8.3	\$ -	\$ 20.8	\$ -	\$ -	29.1
Prior Period Authority - Non-Housing	\$ -	\$ -	\$ 3.2	\$ -	\$ -	\$ 12.7	\$ -	16.0
<b>Subtotal CY Uses - Prior Period Authority</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11.5</b>	<b>\$ -</b>	<b>\$ 20.8</b>	<b>\$ 12.7</b>	<b>\$ -</b>	<b>45.1</b>
<b>Total CY Uses</b>	<b>\$ 10.1</b>	<b>\$ 113.5</b>	<b>\$ 134.9</b>	<b>\$ 17.7</b>	<b>\$ 177.5</b>	<b>\$ 105.2</b>	<b>\$ 7.0</b>	<b>565.8</b>
<b>Sources vs. Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

*\*Dollar amounts will be slightly off due to rounding.*

As shown in Exhibit 3, Mission Bay South expenditures are the largest cost center in OCII's

budget, reflecting the project area's maturity relative to other project areas. These expenditures are primarily for affordable housing loans and development infrastructure. HPS/CP is the second largest cost center, reflecting affordable housing loans and construction of the parks and infrastructure. Debt reflects the third largest cost center as OCII manages a bond portfolio of \$922.0 million.

### **3. Land Use and Infrastructure**

OCII's Projects are developed in accordance with land uses approved through a variety of regulatory documents including Redevelopment Plans, design and zoning control documents, as well as phased development applications ("Major Phases" or "Sub Phases"). The design and construction of infrastructure, including streets, utilities, parks and open spaces must be in compliance with these regulatory documents. OCII staff work closely with other City agencies, developers, and a variety of professional consultants to review and ultimately approve the land uses and designs. Below is a summary of the major land use reviews OCII will undertake in FY21-22.

#### **FY21-22 Land Use Approvals and Planning**

##### Mission Bay

Mission Bay is the most mature of OCII's Projects. The major land use approvals in Mission Bay are complete, along with the majority of the infrastructure. In FY20-21 Alexandria Real Estate ("ARE") received entitlements to build a 170,000 square foot office and life science building at 1450 Owens and the Golden State Warriors received entitlements to develop a hotel and residential project. In FY 21-22, ARE will pursue permits for their project. The Golden State Warriors are assessing the current development environment before moving forward with their project. In FY21-22, OCII will begin working with the San Francisco Arts Commission to program the public art fees paid by various developers pursuant to the Redevelopment Plan requirements. Additionally, OCII will pursue potential actions for additional housing entitlement.

##### Transbay

Transbay is comparable to an infill style of development, rather than a master developed project on vacant land. As such, the existing infrastructure and streetscape network of downtown primarily supports the developments in the Transbay Project. OCII will utilize an existing contract with a third-party design consultant to finalize schematic designs for Under-ramp Park. As this park will be owned by the TJPA, OCII will seek final design approvals from the TJPA Board of Directors as well as the OCII Commission, and utilize an existing contract with SFPW to prepare the project for construction bidding. Planning work for the Block 3 Park will continue in FY21-22. OCII will utilize an existing contract with SFPW and to design this park. OCII anticipates formal schematic design approvals in FY21-22.

### Hunters Point Shipyard/Candlestick Point

The Hunters Point Shipyard/Candlestick Point developments are comprised of two distinct projects, Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point. Hunters Point Shipyard Phase 1 is composed of two areas, Hilltop and Hillside. The majority of the infrastructure in the Hilltop portion of Phase 1 is complete. In FY21-22, the Developer will begin the public acceptance process of the streets in Hilltop. The Developer will also continue to build out all the infrastructure in Hillside. Development at Hunters Point Shipyard Phase 2 is delayed while the U.S. Navy concludes environmental re-testing of several parcels. The schedule for development at Candlestick Point is to be determined.

### **FY21-22 Infrastructure and Non-Housing Completions**

There are a number of infrastructure projects in active planning or construction. Due to project timing, a limited number of these projects will achieve completion in FY21-22. One park will complete construction in Mission Bay (Park P3). Exhibit 4 summarizes anticipated infrastructure project completions.

#### **Exhibit 4: FY21-22 Infrastructure & Non-Housing Project Completions**

	Mission Bay	Transbay	HPS/CP	Total
Parks and Open Space Projects	1	0	0	1

### **FY21-22 Infrastructure Funding**

OCII anticipates expending \$126.8 million on infrastructure in FY21-22, using the sources shown in Exhibit 5. Of the amount shown in Exhibit 5, OCII will spend \$99.0 million on development infrastructure reimbursements and \$27.8 million on other various support services, including legal services, other professional services, planning and infrastructure review, services contracted in a prior year for housing, and public art. A small portion of developer infrastructure reimbursements will be reimbursed by Community Facilities District proceeds, which is discussed further in Appendix A-1. Multi-year project funding is reflected in PPA.

#### **Exhibit 5: FY21-22 Infrastructure & Non-Housing Sources by Uses, *Millions***

Uses	Sources	Developer Payments	Bonds	Property Tax	Fund Balance	Prior Period Authority	Total
Development Infrastructure		\$0.0	\$0.0	\$1.1	\$43.0	\$54.9	\$99.0
Legal Services		\$1.1	\$0.0	\$0.0	\$0.0	\$0.0	\$1.1
Other Professional Services		\$1.8	\$0.0	\$0.5	\$3.9	\$0.0	\$6.1
Planning & Infrastructure Rvw		\$5.0	\$0.0	\$1.7	\$0.0	\$0.0	\$6.7
Prior Period Authority - Non-Housing		\$0.0	\$0.0	\$0.0	\$0.0	\$12.7	\$12.7
Public Art		\$0.0	\$0.0	\$0.0	\$1.1	\$0.0	\$1.1
<b>Total</b>		<b>\$7.9</b>	<b>\$0.0</b>	<b>\$3.3</b>	<b>\$48.0</b>	<b>\$67.7</b>	<b>\$126.8</b>

## 4. Housing Obligations

One of OCII's most important missions is to ensure the completion of the affordable housing obligations throughout Mission Bay North and South, Transbay, and Hunters Point Shipyard/Candlestick Point. Exhibit 6 shows OCII's total housing production obligation of 21,834 units, which represents the full build out of the Projects from inception to completion. This includes market rate units, developer funded inclusionary affordable units, and OCII funded affordable housing units. By the start of FY21-22, OCII anticipates that a total of 9,098 housing units will be complete and occupied across the Projects.

**Exhibit 6: Total Housing Production, as of July 1, 2021**

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
<b>Project Status</b>						
Completed & Occupied	2,964	3,096	2,196	505	337	9,098
In Construction		141	0	77		218
In Predevelopment		148	923	813	1,263	3,147
In Planning		186	0		1,225	1,411
Future Development		0	80	33	7,847	7,960
<b>Total</b>	<b>2,964</b>	<b>3,571</b>	<b>3,199</b>	<b>1,428</b>	<b>10,672</b>	<b>21,834</b>

Of the 21,834 total housing units shown in Exhibit 6, OCII's development agreements require the agency to produce over 7,000 affordable housing units, over 60 percent (4,256 units) of which will be funded by OCII as shown by Project Area in Exhibit 7.

**Exhibit 7: OCII-Funded Retained Affordable Housing Production Obligation, by Project Area**

	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1	Hunters Point Shipyard Phase 2 / Candlestick Point	Total
<b>Project Status</b>						
Completed & Occupied	407	758	463		334	1,962
In Construction		140	0			140
In Predevelopment		148	252	183	330	913
In Planning		164	0		224	388
Future Development			79	33	741	853
<b>Total</b>	<b>407</b>	<b>1,210</b>	<b>794</b>	<b>216</b>	<b>1,629</b>	<b>4,256</b>

*Note: Affordable Unit Totals do not include Manager's Units (which are not income restricted).*

### FY 21-22 Housing Completions

In FY21-22, 141 housing units will complete in OCII's Project Areas. All units are located in Mission Bay South. There are no completions scheduled of OCII-funded affordable, inclusionary

affordable, or market rate units in Mission Bay North, Transbay, Hunters Point Shipyard Phase 1, or Hunters Point Shipyard Phase2/Candlestick Point. Exhibit 8 provides a breakdown of projected completions by Project.

**Exhibit 8: Housing Production, FY21-22 Projected Completions**

	Mission Bay South	Total
<i>Project</i>	<i>Block 9</i>	
<b>Housing Type</b>		
OCII-Funded Affordable Units	141	141
Inclusionary Affordable Units		
Market Rate Units		
<b>FY 21-22 Total Completions</b>	<b>141</b>	<b>141</b>

**FY21-22 Housing Budget**

Each fiscal year, OCII funds a significant amount of affordable housing in stand-alone projects which typically serve low or very-low income households (up to 60% or 50% area median income). The sources of funding for OCII’s affordable housing include taxable housing bonds, pay-go tax increment, and developer fees such as job-housing linkage fees. OCII makes direct loans to affordable housing developers in the form of predevelopment loans and construction loans.

To fulfill its production obligation, OCII anticipates expending \$273.0 million in FY21-22, as shown in Exhibit 9. Of this amount, OCII will expend \$239.7 million on new affordable housing loans, \$29.1 million on existing loans, and \$1.9 million on professional services. An additional \$2.3 million is integrated into the proposed budget for Operations shown in Exhibit 2 and also included in Exhibit 9.

**Exhibit 9: OCII-Funded Affordable Housing Program, FY21-22 Sources by Uses, *Millions***

	Sources	Developer Payments	Bonds	Property Tax	Fund Balance	Prior Period Authority	Total
<b>Uses</b>							
Existing Loan		\$0.0	\$0.0	\$0.0	\$0.0	\$29.1	\$29.1
New Loan		\$48.0	\$116.5	\$0.0	\$75.2	\$0.0	\$239.7
Professional Services		\$0.0	\$0.0	\$1.4	\$0.5	\$0.0	\$1.9
Staffing		\$0.1	\$0.0	\$0.4	\$1.7	\$0.0	\$2.3
<b>Total</b>		<b>\$48.1</b>	<b>\$116.5</b>	<b>\$1.9</b>	<b>\$77.4</b>	<b>\$29.1</b>	<b>\$273.0</b>

In FY 21-22, OCII will fund five new housing loans. Exhibit 10 below lists the new loans. These loans will result in construction of housing that serves a wide variety of housing needs, including family rental units, first time homeownership units, and senior and supportive housing units. Exhibit 10 provides a breakdown of all OCII-funded affordable housing loans by housing type.

**Exhibit 10: OCII-Funded Affordable Housing Loans, *Millions***

<b>Project</b>	<b>Type</b>	<b>Amount (\$M)</b>	<b>Number of Units*</b>
<b>Existing Loans</b>			
AG4**	Construction Loan	\$0.3	31
MBS 9	Construction Loan	\$18.2	141
CP Block 11a	Predevelopment Loan	\$1.2	176
CP Block 10a	Predevelopment Loan	\$1.6	156
Transbay Block 2 West	Predevelopment Loan	\$3.5	153
Transbay Block 2 East	Predevelopment Loan	\$3.5	101
<b>New Loans</b>			
HPS Block 52/54	Construction Loan***	\$68.1	112
HPS Block 56	Construction Loan***	\$42.6	73
MBS 9a	Construction Loan***	\$78.3	148
MBS 12 West	Predevelopment Loan	\$3.5	165
Transbay Block 4	Construction Loan	\$48.0	192
<b>Total</b>		<b>\$268.8</b>	<b>1,448</b>

\* Units are estimates and subject to change

\*\* AG 4 loan- residual funds to be reprogrammed in future FY

\*\*\* These projects include existing predevelopment loans that will be incorporated into new construction loans

## **5. Other Projects Area Activities Summary**

OCII continues to wind down activities in other project areas, including the disposition of OCII assets pursuant to the approved Long Range Property Management Plan (“LRPMP”), and disbursing remaining funds in existing agreements.

OCII’s FY21-22 activities include:

- Administer Developer Obligations: disburse remaining grant funds for Mexican Museum project at 706 Mission Street
- Transfer properties in accordance with the LRPMP.



## **6. Community and Workforce Development**

OCII has multiple agreements through which developers make financial contributions for community benefits and economic development grants and programs. The most significant of these agreements exist for the Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point Projects. Both projects have a Community Benefits Agreement that identifies milestones at which the master developer is obligated to make community benefits payments to OCII. OCII programs and expends these funds to benefit the community.

In Hunters Point Shipyard/Candlestick Point, OCII plans to execute contracts with third party partners to implement community benefits programs for educational uses, contractor assistance, and other neighborhood building, and economic development efforts.

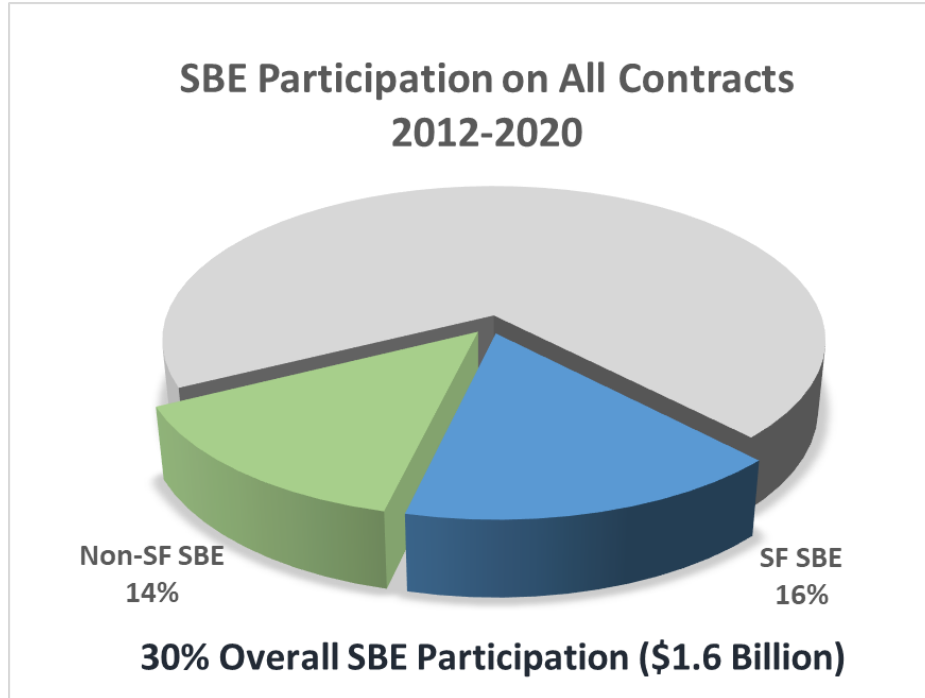
### **Community Development and Workforce**

OCII, as the Successor Agency to the SFRA, has a long history of promoting equal opportunity in contracts for professional design and construction services and in the workforce of contractors performing work on OCII-administered contracts. OCII adopted and continues to actively implement the Equal Opportunity Programs (“EOP”) of the prior SFRA. These programs are comprehensive and mirror ordinances enacted by the City, including nondiscrimination in contracts and benefits, health care accountability, minimum compensation, prevailing wage, local hiring, and small business contracting.

OCII’s EOP program applies to all OCII-administered contracts, including Development and Disposition Agreements, ground leases, and loan agreements, among others. OCII administers the EOP program on all stages of a project, from design through construction.

Since dissolution of the former SFRA in 2012, OCII has overseen the award of over \$5.6 billion in contracts with nearly \$1.7 billion or 30 percent credited to small business enterprises (“SBE”). Of this amount, \$898 million has been awarded to San Francisco-based small businesses. Minority and women-owned businesses have also participated in a significant manner with over \$885 million in contracts or nearly 16 percent of all awards, reflecting the ethnic and gender diversity of the region. As an economic driver, OCII’s SBE program has benefited over 1,000 local and small businesses since 2012. In FY21-22, OCII will continue to promote small business contracting and facilitate economic development.

**Exhibit 11: SBE Participation on OCII-Administered Contracts, 2012-2020**



In addition to small business contracting, OCII has a robust workforce development program to hire local residents. Since 2012, over 47,350 workers (of which 7,000 are San Francisco residents) have performed over 18 million construction hours on OCII-administered projects. Local residents performed over 3.4 million hours or 20 percent of the total, garnering \$151 million in wages. For FY 21-22, OCII will continue to implement its local construction hiring program to ensure local residents have employment opportunities on OCII-administered projects.

In support of the mission to build communities through housing and infrastructure, OCII provides direct grants, funded by developers, to fund community benefits programs. In addition, OCII contracts with OEWD to support local hire efforts on OCII-administered projects. In FY21-22, OCII will expend a total of \$4.3 million on these Community Development and Workforce activities.

**Exhibit 12: Community Development and Workforce Sources by Uses, *Millions***

Sources	Developer Payments	Bonds	Property Tax	Fund Balance	Prior Period Authority	Total
<b>Uses</b>						
Grants to Community-Based Organizations	\$1.9	\$0.0	\$0.0	\$2.2	\$0.0	\$4.1
Other Professional Services	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Prior Period Authority - Non-Housing	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Workforce Development Services	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1
<b>Total</b>	<b>\$2.1</b>	<b>\$0.0</b>	<b>\$0.1</b>	<b>\$2.2</b>	<b>\$0.0</b>	<b>\$4.3</b>

## **7. Racial Equity Planning**

In December 2020, OCII prepared the first phase of a Racial Equity Plan in collaboration with the City through the Office of Racial Equity. The first phase of the Racial Equity Plan focuses on various OCII internal hiring, recruitment, promotional policies, as well as training curriculum. Staff has begun implementing the Plan by conducting a staff survey, the results of which are currently being analyzed.

In FY21-22, the proposed training budget is \$80,000 (100 percent increase over FY20-21 allocation). Racial Equity Training programs have been identified as a key need to support staff and will be a priority use of the training funds, while still allowing for other staff professional development activities. The Racial Equity Training Curriculum will focus on the following:

- Implicit bias training in supervision and performance evaluations
- Defining institutional and structural racism and its impact on recruitment, retention, professional development, and professional mobility.

OCII will also focus on identifying activities to foster an organizational culture of inclusion and belonging. Examples of such activities are establishing and funding racial affinity groups; review of policies and procedures that intentionally or unintentionally create barriers for full employee engagement and professional development.

Staff will begin working on the second phase of the Racial Equity Plan, which will focus more on OCII programs and other external facing efforts, during FY21-22.

## 8. Debt

Currently, OCII's debt portfolio contains pre-Dissolution bonds issued by the former San Francisco Redevelopment Agency to fund enforceable obligations of the former Agency, bonds issued by OCII to fund affordable housing obligations and public infrastructure, and refunding bonds, issued by both the former Redevelopment Agency and OCII, to reduce debt service on outstanding debt. The current outstanding principal balance on OCII's bonds is \$758.6 million.

Of this amount, \$738.9 million is Tax Allocation Bonds (TABs) secured by property taxes generated in the redevelopment project area and \$19.7 million is Hotel Occupancy Tax Revenue Refunding Bonds secured by hotel occupancy tax revenues. Of the \$738.9 million in outstanding TABs, \$295.6 million is refunding bonds issued to reduce debt service, \$266.2 million is taxable bonds issued to fund affordable housing, and \$177.1 million is tax-exempt bonds issued to fund infrastructure. This outstanding debt represents a fixed long-term liability for OCII that is reduced each year by semi-annual debt service payments of principal and interest. The annual cost of OCII's debt portfolio is demonstrated by OCII's annual debt service.

### Exhibit 13: Outstanding Debt, as of August 30, 2020

Issue Name	Trustee	Final Maturity Date	Original Par	Outstanding Principal as of 7/1/20
1998 Series C Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	BNY	8/1/24	\$12,915,026	\$1,072,519
1998 Series D Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects)	BNY	8/1/24	\$21,034,002	\$11,869,002
2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	8/1/36	\$50,731,331	\$28,034,100
2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	8/1/37	\$118,285,000	\$95,900,000
2007 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects)	BNY	8/1/22	\$94,115,000	\$3,405,000
2009 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/24	\$75,000,000	\$0
2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/39	\$72,565,000	\$55,820,000
2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	8/1/43	\$56,245,000	\$52,445,000
2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/35	\$67,955,000	\$24,430,000
2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/29	\$75,945,000	\$23,895,000
2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project)	US Bank	8/1/41	\$73,890,000	\$70,220,000
2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	8/1/43	\$45,000,000	\$42,620,000
2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	US Bank	8/1/41	\$73,230,000	\$69,270,000
2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	8/2/43	\$74,651,825	\$69,651,825
2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)	US Bank	8/1/44	\$89,765,000	\$76,355,000
2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	US Bank	8/1/46	\$19,850,000	\$19,850,000
2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)	US Bank	8/1/43	\$43,400,000	\$37,020,000
2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/41	\$116,665,000	\$100,075,000
2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	8/1/41	\$19,745,000	\$18,445,000
<b>Subtotal</b>			<b>\$1,200,987,184</b>	<b>\$800,377,446</b>
<b>Former Agency Revenue Bonds</b>				
Hotel Occupancy Tax Revenue Refunding Bonds Series 2011	BNY	6/1/24	\$43,780,000	\$19,740,000
<b>Subtotal</b>			<b>\$43,780,000</b>	<b>\$19,740,000</b>
<b>Special Tax Bonds</b>				
Community Facilities District No. 4 (Mission Bay North Public Improvements) Variable Rate Revenue Bonds, Series 2002-North	Wells Fargo	8/1/32	\$23,440,000	\$10,600,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South	Wells Fargo	8/1/35	\$15,160,000	\$13,145,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South	Wells Fargo	8/1/34	\$5,708,939	\$4,460,470
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South	Wells Fargo	8/1/33	\$81,775,000	\$69,690,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South	Wells Fargo	8/1/33	\$19,635,000	\$14,570,000
Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South	Wells Fargo	8/1/43	\$21,601,256	\$21,601,256
Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Special Tax Refunding Bonds, Series 2014	BNY	8/1/44	\$36,445,000	\$33,230,000
<b>Subtotal</b>			<b>\$203,765,195</b>	<b>\$167,296,726</b>
<b>Total</b>			<b>\$1,448,532,379</b>	<b>\$987,414,172</b>

Exhibit 14 below shows the credit ratings, which are an assessment of the creditworthiness of a borrower, as assessed by credit rating agencies, for OCII’s outstanding long-term debt as of the dates of last rating shown below.

**Exhibit 14: Credit Ratings**

<b>Credit</b>	<b>Rating</b>	<b>Rating Agency</b>	<b>Date of Last Rating</b>
<b>Tax Allocation Bonds</b>			
RPTTF Senior/Cross Collateralized	AA	Standard & Poor's	12/16/2017
RPTTF Subordinate	AA-	Standard & Poor's	12/16/2017
RPTTF Third Lien/"SB 107"	A	Standard & Poor's	2/24/2017
Mission Bay North Infrastructure	A	Standard & Poor's	3/17/2016
Mission Bay South Infrastructure	A-	Standard & Poor's	3/17/2016
Mission Bay North and South Housing	A	Standard & Poor's	2/24/2017
<b>Other</b>			
Hotel Occupancy Tax Revenue	A+	Standard & Poor's	5/26/2020

In FY20-21, S&P downgraded the rating on the Hotel Occupancy Tax Revenue bonds from AA to A+ due to the impact of the global pandemic on the hotel industry.

In FY21-22, OCII anticipates expending \$112.9 million on its debt program. The largest expenditure will be for debt service on existing and new tax allocation bonds (“TAB”), which are bonds issued against property tax revenues and are OCII’s primary debt instrument. The second largest expenditure will be debt service on OCII’s other debt, including the Low Moderate Income Housing Fund loan. The smallest expenditure will be professional services to issue one new money tax allocation bond to fund affordable housing. Exhibit 15 details these expenditures by sources and uses.

**Exhibit 15: FY21-22 Debt Program, Sources by Uses, *Millions***

	Sources	Developer Payments	Bonds	Property Tax	Hotel Tax	Fund Balance	Prior Period Authority	Total
<b>Uses</b>								
Debt Service - OCII TAB Bonds		\$0.0	\$0.0	\$102.4	\$0.0	\$1.2	\$0.0	\$103.6
Other Debt		\$0.0	\$0.0	\$1.8	\$4.5	\$0.0	\$0.0	\$6.3
Other Professional Services		\$0.0	\$3.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.0
<b>Total</b>		<b>\$0.0</b>	<b>\$3.0</b>	<b>\$104.2</b>	<b>\$4.5</b>	<b>\$1.2</b>	<b>\$0.0</b>	<b>\$112.9</b>

California Redevelopment Dissolution Law imposes limitations on the debt OCII can issue. OCII issues debt to finance the construction of affordable housing or infrastructure required by specified agreements or to refund outstanding debt.

In FY 21-22 OCII plans to issue a new money bond for affordable housing. The bond will be a tax allocation bond, the credit for which is property tax increment generated by redevelopment areas. The bond will be approximately \$130.4 million, with a project fund of \$116.4 million.

OCII will monitor its tax allocation bond portfolio to determine if market conditions favor refunding bonds. From time to time, OCII issues refunding bonds in accordance with its debt policy to achieve at least three percent net present value debt service savings. The amounts of the proposed refundings will be determined and presented to the Commission at the time of the refunding.

## 9. Operations Budget

In FY21-22, OCII will expend \$19.1 million to fund its operational costs. Specifically, OCII will expend \$9.3 million on salaries and benefits, which reflects labor costs for 54 Full-Time Equivalent staff, the same number of staff as FY 19-20. OCII will expend the remaining \$5.3 million on non-labor expenses such as services from City departments, consulting services for legal and other professional services, insurance, materials and supplies, employee training, and software licensing fees. In addition to staffing and non-labor expenses, OCII will expend \$4.5 million on its retirement obligations.

Exhibit 16 details the sources and uses for OCII's operations. OCII will fund the majority of its operating costs with property tax and developer fees. Bond proceeds will fund staff time required to issue bonds.

### Exhibit 16: FY21-22 Operations, Sources by Uses, *Millions*

	Amount (\$M)
<b>Sources</b>	
Bond Proceeds	\$0.4
Other Funds	\$6.2
Reserve Balance	\$1.8
RPTTF Non-Admin	\$6.4
RPTTF Admin	\$4.3
<b>Total</b>	<b>\$19.1</b>
<b>Uses</b>	
Salaries and Benefits	\$9.3
Non-Labor	\$5.3
Retiree Health and Pension	\$4.5
<b>Total</b>	<b>\$19.1</b>

Exhibit 17 provides details on the non-labor uses in the FY21-22 budget.

### Exhibit 17: FY21-22 Non-Labor Uses

Use	Amount (\$M)
Work Orders with City Departments	\$2.7
Professional Services	\$0.8
Software and Information Technology	\$0.5
Other Current Expenses	\$0.5
Insurance	\$0.5
Legal Services	\$0.3
<b>Total</b>	<b>\$5.3</b>

Items of note in the non-labor budget include:

- **Affordable Housing Services:** The proposed FY21-22 budget includes \$1.1 million for affordable housing construction monitoring, marketing, and lease-up services provided by the Mayor’s Office of Housing and Community Development.
- **Legal Services Related to OCII’s General Operations:** The proposed FY21-22 Operations budget includes \$0.3 million for legal services. Legal costs specific to projects are embedded into the project budgets.
- **Other Professional Services:** The proposed FY21-22 budget includes \$0.8 million for professional services including:
  - \$0.2 million for affordable housing professional services;
  - \$0.2 million for financial and information technology services;
  - \$0.2 million for professional services related to asset management;
  - \$0.1 million for general professional services; and
  - \$0.1 million for public communications support, including website design.
- **Other Current Expenses:** The proposed FY21-22 budget includes \$0.5 million for other current expenses:
  - \$0.2 million for facilities improvements, materials and supplies, off-site records storage, and mail and reproduction;
  - \$0.2 million for recruitment, employee training, temporary salaries, and field expenses; and
  - \$0.1 million for Commission and Oversight Board meeting expenses, including audiovisual recording of Commission meetings by SFGOV TV.

The non-labor budget also includes operational work performed via work orders with City departments. Exhibit 18 details these costs.



**Exhibit 18: FY21-22 Operational Work Orders with City Departments, *Millions***

<b>Department</b>	<b>Service</b>	<b>Amount (\$M)</b>
MOH	Affordable Housing	\$1.1
Office of City Administrator	Rent, Mail, OLSE	\$0.9
CON	Accounting and Audit	\$0.3
DT	IT Services	\$0.2
OEWD	Contract Compliance	\$0.1
CAT	Legal Services	\$50k
TTX	Investment Management	\$30k
Planning	Planning Review	\$1k
<b>Total</b>		<b>\$2.7</b>

## 10. Budgeted Positions

The proposed FY21-22 budget contains 54 Full Time Equivalent (“FTE”s).

### Exhibit 19: FY21-22 Budgeted Positions

Title	Class	FY 20-21	FY 21-22	YOY Difference	Hourly Step Salary Range				
					1	2	3	4	5
Executive Director	500	1	1	0	\$ 141.11	\$ 148.17	\$ 155.58	\$ 163.36	\$ 171.53
General Counsel	520	1	1	0	\$ 106.17	\$ 111.48	\$ 117.06	\$ 122.91	\$ 129.05
Deputy General Counsel	525	1	1	0	\$ 85.51	\$ 89.79	\$ 94.27	\$ 98.99	\$ 103.94
Development Svcs Manager	535	1	1	0	\$ 75.13	\$ 78.89	\$ 82.83	\$ 86.97	\$ 91.32
Housing Program Manager	540	1	1	0	\$ 75.13	\$ 78.89	\$ 82.83	\$ 86.97	\$ 91.32
HPS Sr. Project Manager	550	1	1	0	\$ 75.72	\$ 79.51	\$ 83.49	\$ 87.66	\$ 92.04
Contract Compl. Supervisor	585	1	1	0	\$ 70.04	\$ 73.55	\$ 77.22	\$ 81.08	\$ 85.14
MB Project Manager	590	1	1	0	\$ 65.40	\$ 68.67	\$ 72.11	\$ 75.71	\$ 79.50
TBY Project Manager	590	1	1	0	\$ 65.40	\$ 68.67	\$ 72.11	\$ 75.71	\$ 79.50
HPS Project Manager	590	1	1	0	\$ 65.40	\$ 68.67	\$ 72.11	\$ 75.71	\$ 79.50
RE Snr Development Specialist	595	1	1	0	\$ 64.92	\$ 68.16	\$ 71.57	\$ 75.15	\$ 78.91
Senior Development Specialist	595	1	1	0	\$ 64.92	\$ 68.16	\$ 71.57	\$ 75.15	\$ 78.91
Senior Development Specialist	595	1	1	0	\$ 64.92	\$ 68.16	\$ 71.57	\$ 75.15	\$ 78.91
Senior Development Specialist	595	1	1	0	\$ 64.92	\$ 68.16	\$ 71.57	\$ 75.15	\$ 78.91
RE Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
HPS Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
HPS Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
TBY Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
MB Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Development Specialist	615	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Sr. Financial Analyst	630	1	1	0	\$ 66.07	\$ 69.38	\$ 72.85	\$ 76.49	\$ 80.31
Contract Compl. Sp. II	640	1	1	0	\$ 50.66	\$ 53.20	\$ 55.86	\$ 58.65	\$ 61.58
Contract Compl. Sp. II	640	1	1	0	\$ 50.66	\$ 53.20	\$ 55.86	\$ 58.65	\$ 61.58
Senior Planner	655	1	1	0	\$ 64.33	\$ 67.55	\$ 70.92	\$ 74.47	\$ 78.19
Financial Systems Accountant	670	1	1	0	\$ 58.02	\$ 60.92	\$ 63.97	\$ 67.16	\$ 70.52
Accountant III	695	1	1	0	\$ 50.13	\$ 52.64	\$ 55.27	\$ 58.03	\$ 60.94
Assistant Development Specialist	705	1	1	0	\$ 52.28	\$ 54.89	\$ 57.64	\$ 60.52	\$ 63.54
Asst. Development Specialist	705	1	1	0	\$ 52.28	\$ 54.89	\$ 57.64	\$ 60.52	\$ 63.54
Senior Programmer Analyst - A	720	1	1	0	\$ 52.00	\$ 54.60	\$ 57.33	\$ 60.20	\$ 63.21
Associate Planner	730	1	1	0	\$ 54.22	\$ 56.93	\$ 59.77	\$ 62.76	\$ 65.90
Associate Planner	730	1	1	0	\$ 54.22	\$ 56.93	\$ 59.77	\$ 62.76	\$ 65.90
Administrative Secretary - A	810	1	1	0	\$ 38.14	\$ 40.04	\$ 42.04	\$ 44.15	\$ 46.35
Record Specialist II - A	855	1	1	0	\$ 32.23	\$ 33.84	\$ 35.53	\$ 37.31	\$ 39.17
Senior Office Assistant - A	860	1	1	0	\$ 32.23	\$ 33.84	\$ 35.53	\$ 37.31	\$ 39.17
Staff Associate II	915	1	1	0	\$ 36.13	\$ 37.94	\$ 39.83	\$ 41.82	\$ 43.92
Staff Associate IV	921	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Staff Associate V - A	930	1	1	0	\$ 79.39	\$ 83.36	\$ 87.53	\$ 91.91	\$ 96.50
Human Resources Manager	965	1	1	0	\$ 75.13	\$ 78.89	\$ 82.83	\$ 86.97	\$ 91.32
HPS Asst. Project Manager	990	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
HPS Asst. Project Manager	990	1	1	0	\$ 60.35	\$ 63.36	\$ 66.53	\$ 69.86	\$ 73.35
Commission Secretary	995	1	1	0	\$ 49.70	\$ 52.19	\$ 54.80	\$ 57.53	\$ 60.41
EA to Executive Director	1000	1	1	0	\$ 52.36	\$ 54.98	\$ 57.73	\$ 60.62	\$ 63.65
Senior Engineer	1010	1	1	0	\$ 86.88	\$ 91.22	\$ 95.78	\$ 100.57	\$ 105.60
Contract and Fiscal Services Manager (Z)	1015	1	1	0	\$ 75.13	\$ 78.89	\$ 82.83	\$ 86.97	\$ 91.32
Housing Construction Specialist	1025	1	1	0	\$ 65.40	\$ 68.67	\$ 72.11	\$ 75.71	\$ 79.50
Mgmt. Assistant II	1035	1	1	0	\$ 41.12	\$ 43.17	\$ 45.33	\$ 47.60	\$ 49.98
Mgmt. Assistant II	1035	1	1	0	\$ 41.12	\$ 43.17	\$ 45.33	\$ 47.60	\$ 49.98
Accountant II	1035	1	1	0	\$ 41.12	\$ 43.17	\$ 45.33	\$ 47.60	\$ 49.98
Deputy Director, Fin & Admin	1060	1	1	0	\$ 99.00	\$ 103.95	\$ 109.14	\$ 114.60	\$ 120.33
Deputy Director, Programs	1060	1	1	0	\$ 99.00	\$ 103.95	\$ 109.14	\$ 114.60	\$ 120.33
Contract Compl. Sp. III	1065	1	1	0	\$ 66.35	\$ 69.67	\$ 73.15	\$ 76.81	\$ 80.65
Accountant IV	1100	1	1	0	\$ 58.02	\$ 60.92	\$ 63.97	\$ 67.16	\$ 70.52
Principal Personnel Analyst	1110	1	1	0	\$ 64.87	\$ 68.11	\$ 71.52	\$ 75.09	\$ 78.85

## Appendix 1. Community Facilities Districts

Community Facilities Districts (“CFD”s) are special taxing districts formed under the California Mello-Roos Act. The revenues supporting the activities and / or bond obligations of these districts come solely from special taxes approved by electors within the district at the time of its formation. OCII acts as administrator of the CFDs.

OCII administers seven CFDs created under California’s Mello-Roos Act. Although the Redevelopment Agency or OCII originally formed the CFDs, OCII’s administration of the CFDs is subject to the Mello-Roos Act and not the Redevelopment Dissolution Act. OCII’s activities as a CFD are not subject to review by the Board of Supervisors, the Oversight Board, or the Department of Finance. As noted below, OCII currently has \$158.3 million in outstanding CFD bonds in connection with three of the seven CFDs in Mission Bay North, Mission Bay South, and Hunters Point Shipyard Phase 1. Exhibit A1 summarizes the CFD annual levies and outstanding debt.

CFDs #5 - Mission Bay North and South Park Maintenance and #8 - Hunters Point Shipyard Phase 1 Maintenance are maintenance CFDs, which provide funds to operate, maintain, and repair open space parcels such as public parks and plazas in the District. CFDs #4 - Mission Bay North Public Improvements, #6 - Mission Bay South Public Improvements, and #7 Hunters Point Shipyard Phase 1 Improvements are infrastructure CFDs, which provide funds to acquire and develop infrastructure such as streetscapes and sewers in the District. CFDs #1 - South Beach Improvements and Maintenance and CFD #9 - Hunters Point Shipyard Phase 2/Candlestick Point Public Facilities and Services fund both maintenance and public improvements.

### Exhibit A1: Community Facilities Districts

CFD	Project Area	FY 21-22 Tax Levy (M)	2022 Debt Service (M)	Principal Outstanding (M)	Final Bond Maturity	Purpose
CFD No. 1**	Rincon Point	\$0.2	n/a	n/a	n/a	Maintenance
CFD No. 4	Mission Bay North	n/a	\$0.1	\$6.3	Aug-31	Infrastructure
CFD No. 5**	Mission Bay North & South	\$2.7	n/a	n/a	n/a	Maintenance
CFD No. 6	Mission Bay South	\$11.2	\$9.1	\$119.8	Aug-43	Infrastructure
CFD No. 7	Hunters Point Shipyard Phase 1	\$2.6	\$2.0	\$32.3	Aug-44	Infrastructure
CFD No. 8**	Hunters Point Shipyard Phase 1	\$1.2	n/a	n/a	n/a	Maintenance
	Hunters Point Shipyard Phase 2 /					Infrastructure &
IA No. 1 CFD No. 9**	Candlestick Point	\$0.4	n/a	n/a	n/a	Maintenance
		<b>\$18.3</b>	<b>\$11.2</b>	<b>\$158.3</b>		

\*Assumes development status as of June 30, 2020.

\*\*Assumes the change in the CPI is 2%. Final change in CPI will be published around July 2021.