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

Resolution approving the FY2018-2019 Budget of the Office of Community Investment and Infrastructure (OCII), operating as the Successor Agency to the San Francisco Redevelopment Agency; and approving the Issuance by OCII of Bonds in an aggregate principal amount not to exceed $143,374,815.

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

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

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

WHEREAS, On January 22, 2018, the Oversight Board approved, by Resolution 1-2018, the ROPS for July 1, 2018, to June 30, 2019 (“ROPS 18-19”), which the
California Department of Finance ("DOF") approved on April 13, 2018 with a few minor exceptions; and

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

WHEREAS, Consistent with the expenditures approved in the ROPS, the Successor Agency Commission (commonly known as the Commission on Community Investment and Infrastructure) approved, by Resolution No. 23-2018 (May 1, 2018), its annual budget for FY2018-2019 (the “Budget”) and authorized the Executive Director to submit the Budget for review and approval to the Mayor and the Board of Supervisors; and

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

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

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

WHEREAS, OCII hereby requests that the Board of Supervisors grant conditional approval for the issuance of the Bonds, subject to subsequent approval by the Successor Agency Commission, the Oversight Board and DOF; and
WHEREAS, The Former Agency and the City entered into Tax Increment Allocation
Pledge Agreements for each of the Redevelopment Project Areas in Mission Bay North and
Mission Bay South (Resolution Nos. 884-98 and 887-98) ("Mission Bay Pledges") for the
purpose of pledging net available tax increment from these areas to pay for the costs of public
infrastructure and affordable housing; and

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

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

WHEREAS, The 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 the authority granted under Section 34177.7 of the
California Health and Safety Code and under Board of Supervisors Resolution No. 538-16
(Dec. 22, 2016); and

WHEREAS, In addition to the revenues included in the Budget, OCII may receive
interest on bond proceeds; and
WHEREAS, OCII serves as the administrator of certain Community Facilities Districts ("CFDs") listed in Exhibit A1 of the 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 obligated to receive revenues, make debt service payments and make other expenditures in fulfillment of other obligations associated with the CFDs; now, therefore, be it

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

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

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

Exhibit A: OCII Proposed FY 2018-19 Budget
Resolution approving the FY2018-2019 Budget of the Office of Community Investment and Infrastructure (OCII), operating as the Successor Agency to the San Francisco Redevelopment Agency; and approving the Issuance by OCII of Bonds in an aggregate principal amount not to exceed $143,374,815.

June 14, 2018 Budget and Finance Committee - RECOMMENDED

July 17, 2018 Board of Supervisors - CONTINUED
   Ayes: 11 - Cohen, Brown, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

July 24, 2018 Board of Supervisors - ADOPTED
   Ayes: 10 - Cohen, Brown, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee
   Excused: 1 - Tang

File No. 180579

I hereby certify that the foregoing Resolution was ADOPTED on 7/24/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved: 8-1-18