Resolution approving the FY2017-2018 Budget of the Office of Community Investment and Infrastructure, operating as the Successor Agency to the San Francisco Redevelopment Agency

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 Supervisor’s) 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 23, 2017, the Oversight Board approved, by Resolution 1-2017, the ROPS for July 1, 2017, to June 30, 2018 (“ROPS 17-18”), which was subsequently reviewed and approved, subject to several adjustments by the California Department of Finance; and
WHEREAS, OCII is seeking, through a meet and confer process, to resolve some of DOF's reductions in expenditure authority related to the transfer of real property to the City and County of San Francisco; 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. 17-2017 (May 2, 2016), its annual budget for fiscal year 2017-2018 (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, 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).

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

WHEREAS, OCII anticipates the transfer of Yerba Buena Gardens ("YBG") to the City, as required under the Law and approved by the DOF in the Long Range Property Management Plan; and

WHEREAS, This transfer will include restricted Community Development Block Grant funds; 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, 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 Fiscal Year 2017-2018 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.
File Number: 170658

Date Passed: July 18, 2017

Resolution approving the FY2017-2018 Budget of the Office of Community Investment and Infrastructure, operating as the Successor Agency to the San Francisco Redevelopment Agency.

June 08, 2017 Budget and Finance Committee - CONTINUED

June 15, 2017 Budget and Finance Committee - RECOMMENDED

July 11, 2017 Board of Supervisors - CONTINUED
   Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 18, 2017 Board of Supervisors - ADOPTED
   Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 170658

I hereby certify that the foregoing Resolution was ADOPTED on 7/18/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved

7/27/17