Resolution approving the Fiscal Year (FY) 2022-2023 Budget of the Office of Community Investment and Infrastructure 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 $99,680,000 for the purpose of financing a portion of OCII's enforceable obligations.

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; on January 24, 2022, the Oversight Board approved, by Resolution 3-2022, the ROPS for July 1, 2022 to June 30, 2023 ("ROPS 22-23"), which the California Department of
Finance ("DOF") approved on April 15, 2022. The ROPS lists, among other things, OCII's total outstanding debts or obligations and its expenditures for fiscal year 2022-23; and

WHEREAS, The Law and Ordinance No. 215-12 authorize the Successor Agency Commission (commonly known as the Commission on Community Investment and Infrastructure) to issue bonds to carry out enforceable obligations, subject to approval of the Oversight Board and DOF; and

WHEREAS, Consistent with the expenditures approved in the ROPS, the Successor Agency Commission approved, by Resolution No. 11-2022 (April 19, 2022), its annual budget for Fiscal Year ("FY") 2022-23 (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 FY2022-23, 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 $99,680,000, with a maximum interest rate of 7%, 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, 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
(Board of Supervisors Resolution No. 884-98 (Oct. 30, 1998); Agency Resolution No. 188-98 (Sep. 17, 1998)) and Mission Bay South (Board of Supervisors Resolution No. 887-98 (Nov. 2, 1998); Agency Resolution No. 193-98 (Sept. 17, 1998)) (together the "Mission Bay Pledges") for the purpose of irrevocably pledging net available tax increment from these areas to pay for the costs of public infrastructure and affordable housing required in Mission Bay North and Mission Bay South Project Areas; and

WHEREAS, The Former Agency and the City entered into the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (Board of Supervisors Ordinance No. 99-06 (May 19, 2006); Agency Resolution No. 13-2005 (Jan. 25, 2005)) for the purpose of irrevocably 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 designing and constructing the Transbay Terminal 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 (Board of Supervisors Resolution No. 349-10 (Aug. 3, 2010); Agency Resolution No. 69-2010 (June 3, 2010)) from the Candlestick Point area (Zone 1) of the Bayview Hunters Point Redevelopment Project Area and from the Hunters Point Shipyard Redevelopment Project Area (other than the Hunters Point Hill Residential District) ("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 required in Zone 1 of the Bayview Hunters Point Redevelopment Project Area and the Hunters Point Shipyard Redevelopment Project Area Phase 2; and

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

RESOLVED, By the Board of Supervisors that it does hereby approve the Budget, as shown in Attachment “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 $99,680,000, which will be used in FY 2022-23 for the purpose of financing a portion of its Budget and related costs of issuance, and the application of a portion of the proceeds to reimburse 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 interest earned on bond proceeds.

Attachment A: OCII Proposed FY 2022-23 Budget
Resolution approving the Fiscal Year (FY) 2022-2023 Budget of the Office of Community Investment and Infrastructure 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 $99,680,000 for the purpose of financing a portion of OCII's enforceable obligations.

June 15, 2022 Budget and Appropriations Committee - RECOMMENDED

July 12, 2022 Board of Supervisors - CONTINUED
- Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 19, 2022 Board of Supervisors - ADOPTED
- Ayes: 10 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Ronen, Safai, Stefani and Walton
- Noes: 1 - Preston

File No. 220677

I hereby certify that the foregoing Resolution was ADOPTED on 7/19/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

7/28/22
Date Approved