Resolution approving the FY2016-2017 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 $185,000,000, which will be used in conjunction with a portion of the bonding authority authorized but unissued in the FY2015-2016 budget, for the purpose of financing a portion of 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; and

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

WHEREAS, The Law requires OCII to receive approval from OCII's Oversight Board and the California Department of Finance (“DOF”) for its expenditures as listed in Recognized Obligation Payment Schedules (“ROPS”) that cover twelve month fiscal periods; and the
Oversight Board and DOF have approved the ROPS for July 1, 2016, June 30, 2017, ("ROPS 16-17"); 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 OCII Commission approved on May 3, 2016, by Resolution No. 19-2016 its annual budget for FY2016-2017 (the "Budget"), and submitted it to the Mayor and Board of Supervisors for review and approval; and

WHEREAS, OCII proposes to issue bonds to finance, in FY2016-2017, 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 OCII FY2015-2016 Budget contained authority to issue $186,000,000 in bonds and OCII issued only $45,000,000 in bonds but has a need to use a portion of the FY2015-2016 authorized and unissued bonding authority in FY2016-2017 for a bond issuance that is estimated to be $75,000,000; 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 $185,000,000 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 FY2016-2017 Budget, OCII may have opportunities to refund existing debt at lower interest rates to reduce debt service costs; and
WHEREAS, The OCII hereby requests that the Board of Supervisors grant conditional approval for the issuance of the Bonds, subject to subsequent approval by the OCII 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) for the purpose of pledging net available tax increment from these Redevelopment Project 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 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 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, In addition to the revenues included in the FY2016-2017 Proposed Budget, OCII may receive interest on bond proceeds; and

WHEREAS, OCII anticipates the transfer of Yerba Buena Gardens ("YBG") and Shoreview Park 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 Table A1 of the OCII Proposed FY2016-2017 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 OCII FY2016-2017 Budget, as such Budget is 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 $185,000,000 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 OCII 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 Mission Bay North and South Project Areas and from the project areas covering Candlestick Point and Phase 2 of the Hunters Point Shipyard and any pledged tax increment and sales proceeds from formerly state-owned parcels in the Transbay Project Area that may be received during FY2016-2017 in excess of amounts included in the OCII FY2016-2017 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; and, be it
FURTHER RESOLVED, That OCII is authorized to transfer to the City, concurrent with the transfer of the real property asset identified in the Long-Range Property Management Plan, the restricted Community Development Block Grant funds associated with those assets, including those amounts that may be received in excess of amounts included in the Budget.
Resolution approving the FY2016-2017 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 $185,000,000, which will be used in conjunction with a portion of the bonding authority authorized but unissued in the FY2015-2016 budget, for the purpose of financing a portion of enforceable obligations.

June 16, 2016 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 16, 2016 Budget and Finance Committee - RECOMMENDED AS AMENDED

July 12, 2016 Board of Supervisors - CONTINUED
Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

July 19, 2016 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 7/19/2016 by the Board of Supervisors of the City and County of San Francisco.

Peggy Henric
Angela Calvillo
Clerk of the Board

Mayor

Date Approved

7/29/2016