



Exhibit A

FY 2026-27 Budget

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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 Successor Agency to the SFRA, commonly known as the Office of Community Investment & Infrastructure (“OCII”), has assumed the remaining obligations of the SFRA.

OCII is charged with completing work required under enforceable obligations approved by the California Department of Finance (“DOF”). Those enforceable obligations are the contracts associated with the Projects described in BOS Ordinance No. 215-12 (Oct. 4, 2012) as the Mission Bay North (“MBN”) and Mission Bay South (“MBS”) Projects, the Transbay (“TBY”) Project, and the Hunters Point Shipyard Phase 1 and Phase 2 / Candlestick Point (“Hunters Point Shipyard / Candlestick Point” or “HPS/CP”) project, which include OCII’s Retained Affordable Housing Obligations in these Projects (all together the “Projects”). Additionally, Senate Bill (“SB”) 593, which was signed by Governor Gavin Newsom in October 2023, authorizes OCII to create enforceable obligations, with DOF approval, to cause the construction of and to issue bonds or incur other indebtedness for the purpose of financing the construction of replacement affordable housing units demolished and not replaced by the former SFRA and the replacement of the obsolete affordable units that were constructed previously.

Governance

Ordinance 215-12 delegates the BOS’s authority as Successor Agency to the Commission, with the exception of certain changes to the affordable housing program which are described below and retained by the BOS. 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 BOS, with two of the seats held by residents of the two supervisorial districts that contain the largest amounts of the Projects, i.e. Districts 6 and 10.

Dissolution Law requires that certain actions of a successor agency are subject to the review and approval of an Oversight Board (“OB”), whose actions are subject to further reviews by the DOF. The OB has a fiduciary duty to the holders of enforceable obligations with the former SFRA (and now with OCII) 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 (“ROPS”). 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 BOS. One of those four members represents the “largest number of former redevelopment agency employees employed by the successor agency.” Cal. Health & Safety Code § 34179 (a) (11). The remaining three members are one each from the 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) and retains the authority to approve any modification to an enforceable obligation “that would decrease the commitment of property tax revenue for affordable housing or materially change the obligations to provide affordable housing.” Ordinance No. 215-12, § 6 (a). OCII’s budget is initially approved by the Commission and subsequently approved by the Mayor and BOS. OCII’s budget must be consistent with the DOF-approved ROPS.

2. Program Summary

OCII's primary activity is funding and facilitating delivery of 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 CCSF agencies on land use plans and the associated permits and maps necessary to build in these communities. Additional details on OCII's staffing efforts related to that review, as well as information on Fiscal Year ("FY") 2026-27 programmatic goals for the delivery of public infrastructure (such as parks and open spaces), housing units, and support of community benefits and workforce development can be found in the subsequent sections. Below are brief summaries of OCII's Projects, along with FY 2026-27 program highlights.

Mission Bay North and South

In 1998, the BOS approved the project areas of Mission Bay North and Mission Bay South, together referred to as Mission Bay, to create a vibrant transit-oriented and mixed-use community that will result in 6,535 residential units (29% of which will be affordable), 5.2 million square feet of office and biotechnology space, 560,000 square feet of retail uses, a 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 CCSF and approximately eight of which are owned by UCSF. The master developer of the Mission Bay Project, FOCIL-MB LLC ("FOCIL MB"), is responsible for constructing public infrastructure and parks pursuant to two Owner Participation Agreements. OCII reimburses the developer for constructed infrastructure with property tax revenues, special tax assessments of community facilities districts ("CFD"), and bond proceeds secured by those revenues and assessments. OCII is responsible for approving the land uses and designs of both the public and private development projects in Mission Bay, which is generally not subject to the Planning Code. OCII directly funds affordable housing in Mission Bay, which is provided on specific sites contributed by FOCIL MB and identified in the Owner Participation Agreements ("OPA"). Completion of the Mission Bay Project is anticipated in three years and will result in construction of more than \$800 million of 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.

FY 26-27 Mission Bay Work Program

In FY 26-27, the Mission Bay work program includes the following activities:

- OCII will monitor predevelopment for OCII-sponsored affordable residential projects on Mission Bay South Block 4E, which includes 165 units in Phase 1 and 233 units in Phase 2.
- OCII will provide a gap loan for Block 4E Phase 1 and a predevelopment loan for Block

4E Phase 2. OCII will continue administering infrastructure reimbursements for streets and parks, including Parks P19 and P2/P8, intersection improvements at 5th and King Streets, a pedestrian-focused midblock, and a stormwater pump station at 4th and Channel Streets.

- OCII will oversee plans and permit reviews for residential and commercial uses, coordinate infrastructure for future park parcels, and reimburse CCSF agencies for infrastructure review.
- OCII will fund a public art program in Park P2 through a memorandum of understanding with the San Francisco Arts Commission using developer in-lieu fees already with OCII.

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, and west of Harrison Street to Second 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 CCSF 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 parks, streetscape improvements on Folsom Street, selling designated formerly State-owned parcels to fund construction of the Salesforce Transit Center and Portal project, forming partnerships with for-profit and non-profit developers to build housing, and directly funding affordable housing. Of all new housing units in the Transbay Project Area, 35% 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 3,900 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 2,347 residential units have been built. In FY 2026-27, approximately 314 units (Block 4W) in Zone 1 will be in the planning phase. These units consist of a project that will occupy a portion of the northern end of the former Transbay Temporary Bus Terminal site. A Request For Proposals for a mixed-income development on the east side of Block 4 will be issued in the future based on conducive market conditions.

FY 26-27 Transbay Work Program

In FY 26-27, the Transbay work program includes the following activities:

- OCII will continue the planning, design and permitting of the Under Ramp Park project.
 - The Under Ramp Park project team consists of CMG Landscape Architecture (primarily design and permitting) San Francisco Public Works ("SFPW") helping with planning and predevelopment services for the project. Those predevelopment services include environmental testing at the park site to determine whether there are contaminants requiring remediation as part of the park's development.
 - OCII plans to finalize the agreements with our Under Ramp Park partners – the Transbay Joint Powers Authority ("TJPA"), Caltrans, and the East Cut Community

Benefit District (“CBD”) – agreements with each are needed to begin construction of the park.

- Due to the uncertainty stemming from the environmental status of a portion of the Under Ramp Park site, the project’s overall scope and funding will need to be evaluated once the additional testing is complete.
- OCII will also continue our Transbay property management duties, which include supporting the interim activation of Blocks 3 and 4 on the former Temporary Transbay Terminal site and the continued funding of a maintenance contract for the Essex St. Open Space parcel.

Hunters Point Shipyard and Candlestick Point

The Hunters Point Shipyard/Candlestick Point Project comprises approximately 770 acres along the southeastern waterfront of San Francisco. The BOS adopted the Shipyard Redevelopment Plan in 1997, and the Bayview Hunters Point Redevelopment Plan in 2006. In 2010, the BOS amended both redevelopment plans, and the SFRA approved a Disposition and Development Agreement (“DDA”) that included the Candlestick Point portion of the Bayview Hunters Point Redevelopment Plan and Phase 2 of the Hunters Point Shipyard. The Hunters Point Shipyard / Candlestick Point will be developed by different master developers under two separate DDAs: Lennar, is developing Hunters Point Shipyard Phase 1, and FivePoint, is developing Hunters Point Shipyard Phase 2/Candlestick Point. Together, the entire Hunters Point Shipyard/Candlestick Point Project will generate 12,100 units of housing (of which approximately one-third will be affordable), 337 acres of parks and open space, approximately 6.7 million square feet of commercial space, and roughly \$86.0 million of community benefits such as homeowner assistance, workforce development, educational assistance, and health and wellness programming. To date, 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 community.

In 2024, OCII amended the Bayview Hunters Point Redevelopment Plan (Reso No. 25-2024), the Hunters Point Shipyard Redevelopment Plan (Reso No. 26-2024), and the Hunters Point Shipyard Phase 2/Candlestick Point DDA (Reso No. 27-2024) in response to delays in the US Department of Navy's (“Navy”) cleanup of the Hunters Point Shipyard/Candlestick Point, shifts in the commercial real estate market, and expiring time limits on the Redevelopment Plans. The amendments provide flexibility to the Candlestick Point land use program while Hunters Point Shipyard cleanup continues by transferring up to 2,050,000 square feet of research and development and office space from Hunters Point Shipyard to Candlestick Point, and also allows entertainment and hotel uses throughout the Candlestick Point area. The amendments also extended time limits for incurring debt to finance the project (2054 for Candlestick Point), receiving property tax increment and repaying debt (2069 for Candlestick Point) and increases the amount of bonded indebtedness for Hunters Point Shipyard/Candlestick Point to \$5.9 Billion for both Project Areas). Hunters Point Shipyard Redevelopment Plan time and financing limits commence following the transfer of all Hunters Point Shipyard/Candlestick Point parcel(s) required to complete the 1st Major Phase from the Navy to FivePoint. These adjustments provide

the flexibility needed to keep the redevelopment moving forward while addressing the challenges of cleanup delays and shifting market conditions.

FY 26-27 Hunters Point Shipyard/Candlestick Point Work Program

In FY 26-27, the Hunters Point Shipyard/Candlestick Point work program includes the following activities:

- Infrastructure planning, design, permitting, and subdivision mapping actions for Candlestick Point Major Phase 2 will be complete, with construction anticipated to begin in late 2026. Bonds for infrastructure for the affordable housing in Candlestick Point are planned to be issued late in FY 2026-27. The bonds will reimburse FivePoint for the portion of infrastructure costs attributable to the affordable housing developments.
- At Hunters Point Shipyard Phase 1, OCII will focus on completing the transfer of completed parks and open space to San Francisco Parks and Recreation, and will work with both Lennar and CCSF Departments for acceptance of completed streets and utilities. Both Lennar and FivePoint have made monetary contributions by their respective Community Benefits Agreements.
- Additionally, OCII will continue to expend or execute new contracts with community partners to implement various Community Benefit Agreement programs, including scholarships, contractor assistance, down payment assistance, workforce development, neighborhood building, and college readiness and career development programming.
 - OCII is in the final round of a five-year scholarship program and will expend the remaining funds of approximately \$119,000 this year.
 - OCII will also work with the Mayor's Office of Housing and Community Development ("MOHCD") to spend the remaining \$86,000 for downpayment assistance.
 - OCII will work with the Legacy Foundation to expend remaining balances for contractor assistance/surety bond program (\$500,000), college readiness and career development funds (\$200,000), and neighborhood building (approximately \$16,000).

Year-Over-Year Comparison and Budget Summary

As shown in Exhibit 1, the FY 2026-27 budget of \$665.6 million represents an increase of \$43.4 million from the FY 2025-26 budget of \$622.2 million. Of this amount, \$583.4 million is requested new budget authority and \$82.2 million is Prior Period Authority carried forward from FY 2025-26. 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 prior year are primarily due to an increase in bonds planned for issuance in FY 2026-27 to fund a Replacement Housing project that will fund an approximately 235-unit affordable housing project on Mission Bay Block 4 East Phase 2, which is currently in predevelopment, and predevelopment for Freedom West. Freedom West is a multi-phased initiative, with the first phase already awarded funding from CCSF that seeks to redevelop

an existing affordable co-op. This increase is offset by a decrease in Prior Period Authority – Housing, which reflects the use of affordable housing bond proceeds from bonds issued in prior year and other fees received in prior years.

Changes to current year uses compared to prior year are primarily due to an increase in new Replacement Housing Loans, and a planned increase in Debt Service on our bonds issued for those loans, as well as our associated staff costs. This increase is offset by our continued spending down on our existing affordable housing loans.

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Exhibit 1: FY 2026-27 Budget Compared to FY 2025-26 Budget, *Millions**

	FY 25-26 Budget	FY 26-27 Budget	YOY Difference
Sources			
Property Tax Increment - TAB Debt Service	\$ 57.1	\$ 77.5	\$ 20.4
Property Tax Increment - Mission Bay	\$ 35.7	\$ 31.1	\$ (4.6)
Property Tax Increment - HPS2/CP	\$ 1.5	\$ 1.4	\$ (0.1)
Property Tax Increment - State Owned TBY	\$ 32.0	\$ 32.0	\$ -
Property Tax Increment - Other	\$ 6.6	\$ 6.8	\$ 0.2
Property Tax Increment - Residual	\$ 0.3	\$ 11.9	\$ 11.6
Property Tax Increment - ACA	\$ 3.6	\$ 3.6	\$ (0.1)
Subtotal Property Tax Increment	\$ 136.9	\$ 164.4	\$ 27.4
New Bonds - Housing	\$ 95.8	\$ 10.0	\$ (85.9)
New Bonds - Replacement Housing	\$ -	\$ 135.0	\$ 135.0
New Bonds - Infra	\$ 37.4	\$ 102.0	\$ 64.5
Subtotal New Bonds	\$ 133.3	\$ 246.9	\$ 113.6
Developer Payments	\$ 10.3	\$ 10.2	\$ (0.1)
Subtotal Developer Payments	\$ 10.3	\$ 10.2	\$ (0.1)
Rent & Lease Revenue	\$ 0.4	\$ 0.4	\$ -
Payments from Other Gov Entities	\$ -	\$ 0.0	\$ 0.0
Special Tax	\$ 0.5	\$ 0.5	\$ (0.0)
Subtotal Other	\$ 0.9	\$ 0.9	\$ (0.0)
Fund Balance - Housing	\$ 42.1	\$ 127.7	\$ 85.6
Fund Balance - Non-Housing	\$ 26.0	\$ 33.4	\$ 7.4
Subtotal Fund Balance	\$ 68.1	\$ 161.1	\$ 92.9
Prior Period Authority - Housing	\$ 157.3	\$ 52.1	\$ (105.2)
Prior Period Authority - Non-Housing	\$ 115.4	\$ 30.1	\$ (85.3)
Subtotal Prior Period Authority	\$ 272.7	\$ 82.2	\$ (190.5)
Total Sources	\$ 622.2	\$ 665.6	\$ 43.4
Uses			
Uses - Operations			
Operational Salaries and Benefits	\$ 10.1	\$ 11.5	\$ 1.4
Affordable Housing Services	\$ 1.5	\$ 1.7	\$ 0.2
Rent	\$ 0.9	\$ 1.0	\$ 0.1
Retiree Health and Pension Costs	\$ 4.2	\$ 4.7	\$ 0.5
Auditing & Accounting Services	\$ 0.2	\$ 0.3	\$ 0.1
Legal Services	\$ 1.3	\$ 1.2	\$ (0.0)
Planning & Infrastructure Rvw	\$ 4.9	\$ 4.9	\$ (0.1)
Real Estate Development Services	\$ 0.1	\$ 0.3	\$ 0.2
Workforce Development Services	\$ 0.1	\$ 0.1	\$ (0.0)
Other Professional Services	\$ 7.4	\$ 16.6	\$ 9.2
Grants to Community-Based Organizations	\$ 1.2	\$ 1.2	\$ (0.0)
Payments to Other Public Agencies	\$ 0.4	\$ 0.4	\$ -
Other Current Expenses	\$ 1.3	\$ 1.4	\$ 0.1
Subtotal Uses - Operations	\$ 33.6	\$ 45.2	\$ 11.6
Uses - Non-Operations			
Affordable Housing Loans	\$ 40.1	\$ 15.1	\$ (25.0)
Replacement Housing Loans	\$ -	\$ 148.8	\$ 148.8
Development Infrastructure	\$ 72.0	\$ 120.4	\$ 48.4
Pass-through to TJPA	\$ 32.0	\$ 32.0	\$ -
Debt Service - OCII TAB Bonds	\$ 85.8	\$ 108.6	\$ 22.8
Debt Service - Replacement Housing Bonds	\$ -	\$ 10.8	\$ 10.8
Other Debt	\$ -	\$ 6.5	\$ 6.5
Public Art	\$ 0.8	\$ 0.8	\$ (0.0)
Subtotal Uses - Non-Operations	\$ 230.7	\$ 443.1	\$ 212.4
Prior Period Authority - Housing	\$ 253.0	\$ 147.9	\$ (105.1)
Prior Period Authority - Non-Housing	\$ 104.9	\$ 29.4	\$ (75.5)
Subtotal Prior Period Authority	\$ 357.9	\$ 177.3	\$ (180.6)
Total Uses	\$ 622.2	\$ 665.6	\$ 43.4
Sources vs. Uses	\$ -	\$ -	\$ -

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

As shown in Exhibit 2, in FY 2026-27 OCII proposes to expend \$497.3 million, or 74.7 percent of its budget, on direct program spending including \$164.4 million on affordable housing, \$148.8 million on replacement housing, \$161.9 million on infrastructure and other non-housing activities, \$20.8 million on project management and costs, and \$1.4 million on community development and workforce activities. OCII will fund these activities using primarily Prior Period Authority and bonds.

Exhibit 2: FY 2026-27 Budget Programmatic Summary, Millions*

	Sources	Property Tax	Developer Payments	New Bonds - Housing	New Bonds - Infra	Rent & Lease Revenue	Fund Balance	Prior Period Authority	Other	Total	Percent
Uses											
<u>Direct Program Spending</u>											
Affordable Housing		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112.4	\$ 52.1	\$ 164.4	24.7%
Replacement Housing		\$ -	\$ -	\$ -	\$ 135.0	\$ -	\$ -	\$ 13.8	\$ -	\$ 148.8	22.4%
Infrastructure & Other Non-Housing		\$ 1.3	\$ 7.7	\$ -	\$ 102.0	\$ -	\$ 20.8	\$ 30.1	\$ -	\$ 161.9	24.3%
Project Mgmt & Operations		\$ 11.7	\$ 2.5	\$ -	\$ -	\$ -	\$ 6.2	\$ -	\$ 0.5	\$ 20.8	3.1%
Comm Dev & Workforce		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.4	\$ 0.0	\$ -	\$ 1.4	0.2%
Direct Programmatic Subtotal		\$ 13.0	\$ 10.2	\$ -	\$ 237.0	\$ -	\$ 28.4	\$ 156.3	\$ 52.5	\$ 497.3	74.7%
<u>Indirect Program Spending</u>											
Debt		\$ 119.4	\$ -	\$ 10.0	\$ -	\$ -	\$ 6.5	\$ -	\$ -	\$ 135.9	20.4%
TJPA Pass-through		\$ 32.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32.0	4.8%
Other		\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ 0.4	0.1%
Indirect Programmatic SubTotal		\$ 151.4	\$ -	\$ 10.0	\$ -	\$ 0.4	\$ 6.5	\$ -	\$ -	\$ 168.3	25.3%
Total		\$ 164.4 24.7%	\$ 10.2 1.5%	\$ 10.0 1.5%	\$ 237.0 35.6%	\$ 0.4 0.1%	\$ 34.9 5.2%	\$ 156.3 23.5%	\$ 52.5 7.9%	\$ 665.6 100.0%	100.0%

*Dollar amounts will be slightly off due to rounding.

The FY 2026-27 Budget includes funding for indirect program expenditures, such as debt service for OCII's prior bond issuances and property tax payments under the Tax Increment and Sales Proceeds Pledge Agreement for the Transbay Terminal Project of the TJPA. Exhibit 2 shows a total of \$168.3 million budgeted to these indirect programmatic expenditures, which are primarily supported through property tax.

Exhibit 3 shows the total FY 2026-27 Budget by Project Area and Cost Center. The column headers describe Operations, Debt, and OCII's major active projects: Hunters Point Shipyard/Candlestick Point, Mission Bay North, Mission Bay South, and Transbay. Expenditures unrelated to the major active project areas, Operations, or Debt are rolled up and shown in the Other column. Exhibit 3 integrates the budget for affordable housing into the appropriate project area, according to each project's location.

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Exhibit 3: FY 2026-27 Budget by Project Area/Cost Center

	Cost center	Operations	Debt	HPS / CP	MBN	MBS	TBY	Other	Total
Sources									
Property Tax Increment - TAB Debt Service	\$	-	\$ 77.5	\$ -	\$ -	\$ -	\$ -	\$ -	77.5
Property Tax Increment - Mission Bay	\$	-	\$ 31.1	\$ -	\$ -	\$ -	\$ -	\$ -	31.1
Property Tax Increment - HPS2/CP	\$	-	\$ -	\$ 1.4	\$ -	\$ -	\$ -	\$ -	1.4
Property Tax Increment - State Owned TBY	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 32.0	\$ -	32.0
Property Tax Increment - Other	\$	4.7	\$ -	\$ 0.1	\$ -	\$ -	\$ 2.0	\$ -	6.8
Property Tax Increment - Residual	\$	1.1	\$ 10.8	\$ -	\$ -	\$ -	\$ -	\$ -	11.9
Property Tax Increment - ACA	\$	3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3.6
New Bonds - Housing	\$	-	\$ 10.0	\$ -	\$ -	\$ -	\$ -	\$ -	10.0
New Bonds - Replacement Housing	\$	-	\$ -	\$ -	\$ -	\$ 125.0	\$ -	\$ 10.0	135.0
New Bonds - Infra	\$	-	\$ -	\$ -	\$ -	\$ 42.3	\$ 59.6	\$ -	102.0
Developer Payments	\$	-	\$ -	\$ 9.8	\$ -	\$ 0.3	\$ 0.1	\$ -	10.2
Rent & Lease Revenue	\$	-	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	0.4
Payments from Other Gov Entities	\$	0.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0
Special Tax	\$	0.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.5
Fund Balance - Housing	\$	-	\$ 0.2	\$ 5.5	\$ -	\$ 110.6	\$ 10.6	\$ 0.8	127.7
Fund Balance - Non-Housing	\$	1.9	\$ 7.2	\$ 1.6	\$ 10.9	\$ 9.6	\$ 1.9	\$ 0.3	33.4
Subtotal Budget Sources	\$	11.8	\$ 136.7	\$ 18.8	\$ 10.9	\$ 287.9	\$ 106.2	\$ 11.1	583.4
Prior Period Authority - Housing	\$	-	\$ -	\$ 20.4	\$ -	\$ 3.6	\$ 28.0	\$ -	52.1
Prior Period Authority - Non-Housing	\$	-	\$ -	\$ 0.0	\$ -	\$ 0.9	\$ 29.2	\$ -	30.1
Subtotal Sources - Prior Period Authority	\$	-	\$ -	\$ 20.5	\$ -	\$ 4.5	\$ 57.3	\$ -	82.2
Total Sources	\$	11.8	\$ 136.7	\$ 39.3	\$ 10.9	\$ 292.3	\$ 163.5	\$ 11.1	665.6
Uses									
Uses - Operations									
Allocated Staff & Operating Expenses	\$	(9.6)	\$ 0.8	\$ 3.1	\$ 0.1	\$ 2.9	\$ 2.4	\$ 0.3	0.0
Operational Salaries and Benefits	\$	11.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11.5
Affordable Housing Services	\$	0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.8	1.7
Rent	\$	1.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.0
Retiree Health and Pension Costs	\$	4.7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4.7
Auditing & Accounting Services	\$	0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.3
Legal Services	\$	0.1	\$ -	\$ 1.1	\$ -	\$ -	\$ 0.0	\$ -	1.2
Planning & Infrastructure Rvw	\$	-	\$ -	\$ 4.9	\$ -	\$ -	\$ -	\$ -	4.9
Real Estate Development Services	\$	-	\$ -	\$ 0.3	\$ -	\$ -	\$ -	\$ -	0.3
Workforce Development Services	\$	0.1	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ -	0.1
Other Professional Services	\$	1.5	\$ 10.0	\$ 1.4	\$ -	\$ 3.1	\$ 0.7	\$ -	16.6
Grants to Community-Based Organizations	\$	-	\$ -	\$ 1.2	\$ -	\$ -	\$ -	\$ -	1.2
Payments to Other Public Agencies	\$	-	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ -	0.4
Other Current Expenses	\$	1.4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1.4
Subtotal Uses - Operations	\$	11.8	\$ 10.8	\$ 12.4	\$ 0.1	\$ 6.0	\$ 3.1	\$ 1.1	45.2
Uses - Non-Operations									
Affordable Housing Loans	\$	-	\$ -	\$ 5.0	\$ -	\$ -	\$ 10.1	\$ -	15.1
Replacement Housing Loans	\$	-	\$ -	\$ -	\$ -	\$ 138.8	\$ -	\$ 10.0	148.8
Development Infrastructure	\$	-	\$ -	\$ 1.3	\$ 10.8	\$ 47.4	\$ 61.0	\$ -	120.4
Pass-through to TJPA	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 32.0	\$ -	32.0
Debt Service - OCII TAB Bonds	\$	-	\$ 108.6	\$ -	\$ -	\$ -	\$ -	\$ -	108.6
Debt Service - Replacement Housing Bonds	\$	-	\$ 10.8	\$ -	\$ -	\$ -	\$ -	\$ -	10.8
Other Debt	\$	-	\$ 6.5	\$ -	\$ -	\$ -	\$ -	\$ -	6.5
Public Art	\$	-	\$ -	\$ -	\$ -	\$ 0.8	\$ -	\$ -	0.8
Subtotal Uses - Non-Operations	\$	-	\$ 125.9	\$ 6.3	\$ 10.8	\$ 187.0	\$ 103.1	\$ 10.0	443.1
Prior Period Authority - Housing	\$	-	\$ -	\$ 20.4	\$ -	\$ 99.4	\$ 28.0	\$ -	147.9
Prior Period Authority - Non-Housing	\$	-	\$ -	\$ 0.1	\$ -	\$ -	\$ 29.2	\$ -	29.4
Subtotal Uses - Prior Period Authority	\$	-	\$ -	\$ 20.6	\$ -	\$ 99.4	\$ 57.3	\$ -	177.3
Total Uses	\$	11.8	\$ 136.7	\$ 39.3	\$ 10.9	\$ 292.3	\$ 163.5	\$ 11.1	665.6
Sources vs. Uses	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

As shown in Exhibit 3, Mission Bay South expenditures are the largest cost center in OCII's budget, primarily reflecting affordable housing and replacement housing loans. Transbay is the second largest cost center primarily reflecting the planned expenditure on designing and constructing Under-Ramp Park and the Block 3 Park and the affordable housing loans.

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 applicable CCSF laws and OCII regulatory documents. OCII staff work closely with other CCSF 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 FY 2026-27.

FY 2026-27 Land Use Approvals and Planning

Mission Bay

Mission Bay is the most complete of OCII's Projects. The major land use approvals in Mission Bay are complete, along with the majority of the infrastructure. In FY 2026-27, OCII, through its master developer FOCIL MB, will construct the final stormwater pump station and a pedestrian-only publicly accessible block of Bridgeview Way in Mission Bay South and will also begin upgrades to the 5th Street and King Street intersection in Mission Bay North. FOCIL MB will begin construction on P2/P8, a five-acre park located south of Mission Creek. The San Francisco Arts Commission has been contracted to create public art in Park P2 with the public art fees paid by various developers pursuant to the Redevelopment Plan requirements. Additionally, OCII will pursue potential actions for additional housing entitlement on Mission Bay South Block 12W and will continue to work with Gladstone Institutes on its potential expansion. Gladstone Institutes, a non-profit biomedical research organization, was Mission Bay's first biotech development and completed its 195,000 square foot building in 2004. In FY 2020-21 the Golden State Warriors received entitlements to develop a hotel and residential project, but they continue to assess the current development environment before moving forward with their hotel project.

Transbay

Transbay is comparable to an infill style of development, rather than a master planned project on vacant land. As such, the existing infrastructure and streetscape network of downtown primarily support the developments in the Transbay Project. OCII will utilize an existing contract with a third-party design consultant to finalize the Construction Documents for Under-Ramp Park, which is currently owned by the TJPA. OCII will seek final design and, once the park is constructed, acceptance of the completed park improvements from the TJPA Board of Directors. OCII will also utilize an existing contract with SFPW to secure the Under-Ramp Park's permits and prepare the project for construction bidding. Those predevelopment services include the resumption of environmental testing at the park site to determine whether there are contaminants requiring remediation as part of the park's development. Furthermore, OCII will finalize the agreements with our Under Ramp Park partners – the TJPA, Caltrans, and the East Cut CBD – which are

needed to begin construction of the park.

Hunters Point Shipyard/Candlestick Point

The Hunters Point Shipyard/Candlestick Point developments comprise two distinct projects, Hunters Point Shipyard Phase 1 and Hunters Point Shipyard Phase 2/Candlestick Point. Hunters Point Shipyard Phase 1 consists of two areas, Hilltop and Hillside. Most of the infrastructure for the Hilltop portion of Phase 1 is complete. In FY 2026-27, the Developer will continue the public acceptance process of the streets in Hilltop. Development at Hunters Point Shipyard Phase 2 is delayed while the Navy concludes the environmental re-testing of several parcels. Construction will be underway in FY 2026-27 for the next phase of development (also referred to as “Major Phase 2”) at Candlestick Point within a portion of the former Candlestick Stadium footprint. Construction is expected to commence in Q2 FY 2026-27 for the backbone infrastructure (e.g. new roads, utilities, reconfiguration of older utilities and roads) to support the approximately 675 units and 1.5 million square feet of commercial space.

FY 2026-27 Infrastructure and Non-Housing Projects

While no infrastructure projects will be completed in FY 2026-2027, there will be several infrastructure projects that will be under construction or begin construction. A storm water pump station and pedestrian only road in Mission Bay will continue construction in FY 2026-2027. In 2026-2027 Mission Bay will start construction of a 5-acre park (P2/P8) and intersection upgrades, Transbay will begin construction of the 2-acre Under Ramp Park and Candlestick Point will begin construction of infrastructure for Phase 2.

Exhibit 4: FY 2026-27 Infrastructure & Non-Housing Project Projects

	Mission Bay	Transbay	Hunters Point Shipyard/ Candlestick Point	Total
Infrastructure Parks, and Open Space Projects	4	1	1	6

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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 as well as SB 593 Replacement Housing. Exhibit 5 shows OCII's total housing production obligation of 27,760 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 and replacement housing units. By the start of FY 2026-27, OCII anticipates that a total of 9,984 housing units will be complete and occupied across the Projects.

Exhibit 5: Total Housing Production, as of July 1, 2026

	Total Units	Market Rate	Inclusionary Affordable	OCII Affordable	Total Affordable	% of Total
Completed	9,984	6,561	660	2,763	3,423	36%
In Construction	-	-	-	-	-	0%
Predevelopment	2,616	1,421	147	1,048	1,195	9%
Preliminary Planning	1,508	863	162	483	645	5%
Future Development	13,652	5,891	1,557	6,203	7,760	49%
TOTAL	27,760	14,736	2,526	10,497	13,023	100%

Of the 27,760 total housing units shown in Exhibit 5, OCII's development agreements and SB 593 authorized Replacement Housing enforceable obligations require OCII to produce over 13,000 affordable housing units, as shown by obligation in Exhibit 6.

Exhibit 6: OCII-Funded Retained Affordable Housing Production Obligation, by Project Area

	Hunters Point Shipyard Phase I	Hunters Point Shipyard Phase II & Candlestick Point	Mission Bay North & South	Transbay	Replacement Housing	Total
Completed	293	333	1,744	1,053	-	3,423
In Construction	-	-	-	-	-	-
Predevelopment	80	397	163	322	233	1,195
Preliminary Planning	-	386	-	-	259	645
Future Development	33	2,247	-	130	5,350	7,760
TOTAL	406	3,363	1,907	1,505	5,842	13,023
% COMPLETE ALL UNITS	54%	3%	97%	67%	0%	35%

FY 2026-27 Housing Starts

In FY 2026-27, OCII will start construction on 163 OCII-funded affordable housing units. This start is a family development in Mission Bay South. There are no starts or completions scheduled in OCII-funded affordable, inclusionary affordable, or market rate units in Transbay and Hunters Point Shipyard Phase 1 or 2 or Candlestick Point.

Exhibit 7: Housing Production, FY 2026-27 Projected Starts

	Mission Bay South	Total
	<i>Mission Bay South Block</i>	
<i>Project</i>	<i>4E Phase 1</i>	
Housing Type		
OCII-Funded Affordable Units	163	163
Total Starts	163	163

FY 2026-27 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 percent or 50 percent 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 and construction loans.

To fulfill its production obligation, OCII anticipates expending \$164.4 million in FY 2026-27, as shown in Exhibit 8. Of this amount, OCII will expend \$147.9 million on continued affordable housing loans, \$15.1 million on new loans, and \$0.8 million to pay for CCSF Department assistance in completing OCII affordable housing obligations and support for the Certificate of Preference program.

Exhibit 8: OCII-Funded Affordable Housing Program, FY 2026-27 Sources by Uses, *Millions*

	Fund Balance	Prior Period Authority	Property Tax	Grand Total
Existing Loan	\$95.8	\$52.1	\$0.0	\$147.9
New Loan	\$15.1	\$0.0	\$0.0	\$15.1
Other	\$0.8	\$0.0	\$0.0	\$0.8
Staffing	\$0.0	\$0.0	\$0.6	\$0.6
Total	\$111.8	\$52.1	\$0.6	\$164.4

In FY 2026-27, OCII plans to fund up to five loans (including Candlestick Point Block 7 and Candlestick Point 11A additional predevelopment) and continue to manage up to eleven loans (including Candlestick Point 10a, Candlestick Point 11a, Hunters Point Shipyard 52/54, Hunters Point Shipyard 56, Transbay 4W, Transbay 2W, Transbay 2E, and Mission Bay South 4E Phase 1). These loans will result in construction of housing that serves a wide variety of housing needs, including family rental units, and senior and supportive housing units.

Commission Meeting of April 21, 2026 – updated May 28, 2026

Replacement Housing

The Community Redevelopment Law (“CRL”) required redevelopment agencies to construct affordable units whenever it destroyed or removed units that had been occupied by low- or moderate-income households. Cal. Health & Safety Code § 33413 (a). This requirement became effective January 1, 1976, and applied only to future actions of a redevelopment agency and established several standards for the type of housing developed as replacement housing.

Prior to 1976, SFRA had destroyed, as part of federally-funded urban renewal, 14,207 affordable units, but only produced 7,498 affordable units. In 2000, at the urging of the SFRA and the CCSF, the California legislature adopted Senate Bill No. 2113 (Burton) (Chapter 661 of the Statutes of 2000) authorizing SFRA to use tax increment financing to fund and develop affordable housing to replace those units destroyed by SFRA. Cal. Health & Safety Code § 33333.7. Under SB 2113, HCD certified, in 2003, “a net loss of 6,709 units the Agency must replace.”

Prior to its dissolution, SFRA was only able to approve and develop 867 replacement units out of the total 6,709, leaving an outstanding balance of 5,842 affordable units that needed to be replaced. Since the 2012 dissolution of SFRA, CCSF and OCII unsuccessfully sought on several occasions to establish that the Replacement Housing Obligation was required to continue after the dissolution of SFRA.

SB 593 authorizes OCII, with CCSF approval, to provide funding as an enforceable obligation for the construction of 5,842 units of replacement housing. Unlike other enforceable obligations, OCII is only authorized to use property tax increment that would be available to CCSF after other OCII obligations are paid.

OCII initiated its Replacement Housing Program in FY 2024-25 with a modest amount of tax increment revenues for predevelopment activities. For FY 2026-27, OCII will continue its predevelopment work and seeks \$0.3 million for staffing costs to plan for replacement units. In the future, OCII will issue a replacement housing bond that will fund an approximately 235-unit affordable housing project on Mission Bay Block 4 East Phase 2, which is currently in predevelopment.

The FY 2026-27 Budget includes expenditures related to bond financing for affordable housing projects in Mission Bay South including gap financing for Mission Bay South Block 4E Phase 2 and Freedom West.

Exhibit 9: OCII-Funded Replacement Housing Program, FY 2026-27 Sources by Uses, Millions

	Bonds	Fund Balance	Grand Total
New Loan	\$135.0	\$13.8	\$148.8
Grand Total	\$135.0	\$13.8	\$148.8

Exhibit 10 provides a breakdown of OCII-funded affordable and replacement housing loans by loan type.

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

Project	Type	Amount (\$M)	Number of Units
Hunters Point Shipyard Blocks 52/54	Gap Loans	\$9.7	112 units
Hunters Point Shipyard Block 56	Gap Loan	\$6.8	73 units
Candlestick Point Block 11a*	Predevelopment Loan	\$3.7	176 units
Candlestick Point Block 10a	Predevelopment Loan-On hold	\$0.3	156 units
CPN Block 7	Predevelopment Loan	\$5.0	100 units
Hunters Point Shipyard/Candlestick Point Total		\$25.5	617 units
Transbay Block 2 West	Gap Loan	\$19.0	151 units
Transbay Block 2 East	Gap Loan	\$9.1	184 units
Transbay Block 4W**	Predevelopment Loan	\$10.0	325 units
Transbay Total		\$38.1	660 units
Mission Bay South Block 4E Phase 1	Gap Loan	\$99.4	165 units
Mission Bay Total		\$99.4	165 units
Mission Bay South Block 4E Phase 2***	Gap Loan	\$128.8	233 units
Mission Bay South Block 12W Phase 1***	Predevelopment Loan	\$5.0	157 units
Mission Bay South Block 12W Phase 2***	Predevelopment Loan	\$5.0	161 units
Freedom West****	Predevelopment and Gap Loan	\$10.0	250 units
Replacement Housing Obligation Total		\$148.8	801 units
Total		\$311.8	2243 units

* In FY 24/25, the Master Developer finalized a revised land use plan and obtained approvals for corresponding amendments to a variety of plan documents. Based on the revised plan Candlestick PointN 11A will restart predevelopment and Candlestick Point 7 will start predevelopment in FY 26/27. Candlestick Point Block 11A includes additional predevelopment funds to further predevelopment.

** In FY 25/26 OCII solicited a development team for up to 325 affordable units on the west side of Transbay Block 4, FY 25/26 expenditures include predevelopment loans for this, and those loans will continue to be spent in FY 26/27.

*** The Mission Bay South OPA's Housing Program designates sites for the development of OCII-sponsored affordable housing projects and establishes a maximum number of affordable units (1,218) that may be developed. SFRA and OCII have developed most of the affordable units and OCII only has authorization to develop the remaining balance of 165 units. However, in furtherance of Citywide housing production goals and in acknowledgement that there may be capacity for additional affordable units on Block 4E and Block 12W. OCII has secured amendments to the OPA and the Redevelopment Plan, for Block 4E to increase the allowable number of units and may do so in the future for Block 12W if necessary, to increase the allowable number of units on that block. Any such amendments are subject to the consent of FOCIL MB, as well as approval of the Commission, the Oversight Board, and the BOS. Gap funding for any units in excess of 165 units would also be subject to further Commission approval pursuant to SB 593. Similarly, the issuance of bonds to finance replacement affordable housing units is subject to further Commission approvals.

**** The budget includes predevelopment and/or gap financing for replacement housing projects. Funding for these projects is subject to further Commission review and approval.

5. Community and Workforce Development

Both OCII and SFRA, have 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, which were incorporated into certain enforceable obligations approved by the DOF. These programs are comprehensive and mirror ordinances enacted by CCSF, 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 DDAs, 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 SFRA in 2012, OCII has overseen the award of over \$6 billion in contracts with nearly \$2.0 billion or 32.3 percent credited to small business enterprises (“SBE”). Of this amount, \$1.1 billion (\$1,156,622,000) has been awarded to San Francisco based small businesses. Minority and women-owned businesses have also participated in a significant manner with over \$1.1 billion (\$1,082,000,000) in contracts or nearly 18.3 percent of all awards, reflecting the ethnic and gender diversity of the region. As an economic driver, OCII’s SBE program has benefited over 1,300 local and small businesses since 2012. In FY 2025-26, OCII will continue to promote small business contracting and facilitate economic development.

In addition to small business contracting, OCII has a robust workforce development program to hire local residents that relies on services provided by the Office of Economic Workforce and Development paid for by OCII. Since 2012, over 57,458 workers (of which 8,800 are San Francisco residents) have performed over 19.4 million construction hours on OCII-administered projects. Local residents performed over 4 million hours or 20.6 percent of the total, garnering \$171.5 million in wages. For FY 2026-27, OCII will continue to implement its local construction hiring program to ensure local residents have employment opportunities on OCII-administered projects.

OCII contracts with the Office of Economic and Workforce Development (“OEWD”) to support local hire efforts on OCII-administered projects. In FY 2026-27 OCII will expend a total of \$1.4 million on these Community Development and Workforce activities.

Exhibit 11: Community Development and Workforce Sources by Uses, *Millions*

	Fund Balance	Prior Period Authority	Property Tax	Grand Total
Grants to Community-Based Organizations	\$1.2	\$0.0	\$0.0	\$1.2
Prior Period Authority - Non-Housing	\$0.1	\$0.0	\$0.0	\$0.1
Workforce Development Services	\$0.0	\$0.0	\$0.1	\$0.1
Total	\$1.4	\$0.0	\$0.1	\$1.4

6. Debt

OCII's debt portfolio contains pre-Dissolution bonds issued by SFRA to fund prior enforceable obligations, bonds issued by OCII to fund housing obligations and public infrastructure, and refunding bonds, issued by both SFRA and OCII, to reduce debt service on outstanding debt. The outstanding principal balance on OCII's bonds is \$814.2 million as of January 1, 2026.

All of this amount is Tax Allocation Bonds ("TABs") secured by property taxes generated in the redevelopment project areas. This outstanding debt 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 12: Outstanding Debt, as of January 1, 2026

Issue Name	Trustee	Project Area	Final Maturity Date	Original Principal	Principal Outstanding as of 1/1/26	Debt Service Due Through 8/31/26
2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	TTL, GG	8/1/2036	\$ 50,731,331	\$ 14,741,505	\$ 5,830,000
2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	BNY	BV, MBN, RP, SOMA, YBC	8/1/2037	\$ 118,285,000	\$ 84,405,000	\$ 9,503,288
2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)	US Bank	BV, MBS, WA2, YBC	8/1/2039	\$ 72,565,000	\$ 52,040,000	\$ 7,587,650
2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$ 56,245,000	\$ 46,485,000	\$ 3,499,250
2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	All	8/1/2035	\$ 67,955,000	\$ 14,860,000	\$ 2,453,065
2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	All	8/1/2029	\$ 75,945,000	\$ 1,590,000	\$ 444,500
2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project)	US Bank	MBN	8/1/2041	\$ 73,890,000	\$ 58,825,000	\$ 5,186,250
2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$ 45,000,000	\$ 35,425,000	\$ 3,191,250
2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2041	\$ 73,230,000	\$ 57,300,000	\$ 5,220,000
2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)	US Bank	HPSCP1, HPSCP2	8/1/2044	\$ 89,765,000	\$ 21,500,000	\$ 3,918,365
2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	US Bank	TBY	8/1/2046	\$ 19,850,000	\$ 19,850,000	\$ 992,500
2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)	US Bank	MBS	8/1/2043	\$ 43,400,000	\$ 25,750,000	\$ 2,957,819
2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	MBN, MBS	8/1/2041	\$ 116,665,000	\$ 42,405,000	\$ 5,035,806
2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)	US Bank	MBN, MBS	8/1/2041	\$ 19,745,000	\$ 15,645,000	\$ 1,007,825
2021 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds)	US Bank	MB, TBY, HPSCP1, HPSCP2	8/1/2032	\$ 127,210,000	\$ 111,370,000	\$ 13,816,581
2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds)	US Bank	MB, TBY, HPSCP1, HPSCP2	8/1/2041	\$ 24,505,000	\$ 22,450,000	\$ 2,191,806
2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)	US Bank	TBY	8/1/2053	\$ 35,210,000	\$ 35,210,000	\$ 1,803,475
2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2028	\$ 11,730,000	\$ 7,485,000	\$ 3,133,167
2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)	US Bank	MBS	8/1/2043	\$ 47,255,000	\$ 47,255,000	\$ 2,362,750
2025 Series C Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds)	US Bank	MB, TBY, HPSCP1, HPSCP2	8/1/2036	\$ 99,610,000	\$ 99,610,000	\$ -
Subtotal				\$ 1,268,791,331	\$ 814,201,505	\$ 80,135,346

Exhibit 13 shows OCII's credit ratings, which are credit agencies' assessment of the creditworthiness of the revenues supporting OCII's bonds.

Exhibit 13: Credit Ratings

Credit	Rating	Rating Agency	Date of Last Rating
Tax Allocation Bonds			
RPTTF Senior/Cross Collateralized	AA	Standard & Poor's	11/18/2021
RPTTF Senior/Cross Collateralized	Aa3	Moody's	6/2/2022
RPTTF Subordinate	AA-	Standard & Poor's	9/20/2022
RPTTF Third Lien/"SB 107"	A	Standard & Poor's	12/5/2025
Mission Bay North Infrastructure	A	Standard & Poor's	4/27/2022
Mission Bay South Infrastructure	A-	Standard & Poor's	1/16/2025
Mission Bay North and South Housing	A	Standard & Poor's	4/27/2022

In FY 2026-27, OCII anticipates expending \$135.9 million on its debt program. The largest expenditure will be for debt service on TABs, which are bonds issued against property tax revenues and are OCII's primary debt instrument.

Exhibit 14: FY 2026-27 Debt Program, Sources by Uses, *Millions*

Uses	Sources	Bonds	Fund Balance	Property Tax	Grand Total
Debt Service - OCII TAB Bonds		\$0.0	\$0.0	\$108.6	\$108.6
Other Debt		\$0.0	\$6.5	\$0.0	\$6.5
Other Professional Services		\$10.0	\$0.0	\$0.0	\$10.0
Debt Service - Replacement Housing Bonds		\$0.0	\$0.0	\$10.8	\$10.8
Total		\$10.0	\$6.5	\$119.4	\$135.9

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. State law also authorizes the financing of affordable replacement housing.

In FY 2026-27, OCII plans to issue four series of bonds:

- 2026 Transbay (total principal \$75.4M, estimated project fund \$50.0M, used to fund portions of Under Ramp Park);
- 2026 Mission Bay South (total principal \$48.0M, estimated project fund \$40.0M, used to fund developer reimbursements);
- 2027 Housing (total principal \$86.0M, estimated project fund \$61.2M, used to fund affordable housing loans); and
- 2027 Replacement Housing (total principal \$189.0M, estimated project fund \$135.0M, used to fund replacement affordable housing loans).

The total principal amount of these four bond series is estimated at \$398.4 million.

OCII also plans to issue refunding bonds in an estimated principal amount of \$131.0 million to refund its series 2014A, 2016B, and 2016C bonds (the "Refunded Bonds"). The Refunded Bonds were issued to fund, or refund prior bonds that funded, infrastructure in Mission Bay South. OCII Commission Meeting of April 21, 2026 – updated May 28, 2026

will also monitor its bond portfolio to determine if market conditions favor refunding additional bonds. As per OCII's debt policy, refunding bonds must achieve at least three percent net present value debt service savings.

7. Operations Budget

In FY 2026-27 OCII will expend \$21.2 million to fund its operational costs, which is \$1.2 million more than FY 2025-26. This increase is due to Cost of Living Adjustments and an increase in OCII's retiree health and pension expenditures, offset by a reduction in non-labor costs based on a review of prior year expenditures. The \$21.2 million operational costs reflect:

- \$11.5 million on salaries and benefits, which reflects labor costs for 54 Full-Time Equivalent staff.
- \$5.2 million on non-labor expenses such as services from CCSF departments, consulting services for legal and other professional services, insurance, materials and supplies, employee training, and software licensing fees.
- \$4.5 million on its retirement obligations, which are retiree health and pension costs.

Exhibit 15 details the sources and uses for OCII's operations. OCII will fund the majority of its operating costs with property tax and other funds, which includes developer fees. Bond proceeds will fund staff time on bond-related projects.

Exhibit 15: FY 2026-27 Operations, YOY Sources by Uses, *Millions*

<i>Sources</i>	PY Amount (\$M)	CY Amount (\$M)	YOY Change	% Change
Bond Proceeds	\$1.0	\$0.9	(\$0.1)	-10.0%
Reserve Funds	\$1.2	\$0.6	(\$0.6)	-50.0%
Other Funds	\$6.9	\$7.7	\$0.8	11.6%
Property Tax	\$10.8	\$12.0	\$1.2	11.1%
Total	\$20.0	\$21.2	\$1.2	6.0%
<i>Uses</i>				
Salaries and Benefits	\$10.2	\$11.5	\$1.3	12.7%
Non-Labor	\$5.6	\$5.2	(\$0.4)	-7.1%
Retiree Health and Pension	\$4.2	\$4.5	\$0.3	7.1%
Total	\$20.0	\$21.2	\$1.2	6.0%

The table below details on the non-labor uses in the FY 2026-27 budget.

Exhibit 16: FY 2026-27 Non-Labor Uses

Use	Amount (\$M)
Work Orders with City Departments	\$2.5
Professional Services	\$1.3
Other Current Expenses	\$0.6
Insurance	\$0.6
Software and Information Technology	\$0.1
Legal Services	\$0.1
Total	\$5.2

The operational work performed via work orders with CCSF departments is detailed below.

Exhibit 17: FY 2026-27 Operational Work Orders with CCSF Departments, *Millions*

Department	Service	Amount (\$M)
Office of City Administrator (ADM)	Rent, Mail, Office of Labor Standards Enforcement	\$1.0
Mayor's Office of Housing & Community Development (MOHCD)	Affordable Housing Services	\$0.9
Controller	Accounting and Audit Services	\$0.3
Department of Technology	IT Services	\$0.1
Office of Economic and Workforce Development (OEWD)	Contract Compliance Support	\$0.1
City Attorney	Legal Services	\$0.1
Treasurer Tax Collector	Investment Management	\$0.1
Total		\$2.5

Other items of note in the non-labor budget include:

- **Affordable Housing Services:** The FY 2026-27 budget includes \$0.9 million for affordable housing services provided by MOHCD.
- **Legal Services Related to OCII's General Operations:** The FY 2026-27 Operations budget includes \$0.1 million for legal services. Legal costs specific to projects are embedded into the project budgets.
- **Other Professional Services:** The FY 2026-27 budget includes \$1.3 million for professional services, which includes public communications support, bond administration, and actuarial valuations.
- **Other Current Expenses:** The FY 2026-27 budget includes \$0.6 million for other current expenses:
 - \$0.5 million for facilities improvements, materials and supplies, off-site records storage.
 - \$0.1 million for employee training, and field expenses.

8. Budgeted Positions

The FY 2026-27 budget contains 54 Full Time Equivalent (“FTE”s).

Exhibit 18: FY 2026-27 Budgeted Positions

Title	Class	Prior Year FTE	Current Year FTE	YOY Difference	Add Active/Vacant/Attritted
Accountant III	695	1	1	0	1.0 FTE Active
Accountant IV	1100	1	1	0	1.0 FTE Active
Accounting Supervisor	970	1	1	0	1.0 FTE Active
Administrative Secretary	810	1	1	0	1.0 FTE Active
Agency General Counsel	520	1	1	0	1.0 FTE Active
Assistant Deputy Executive Director - Administration	1010	0	1	1	1.0 FTE Active
Assistant Development Specialist - Housing	705	1	1	0	1.0 FTE Active
Associate Planner	730	1	1	0	1.0 FTE Active
Commission Secretary	995	1	1	0	1.0 FTE Active
Contract Compliance Specialist II	640	1	1	0	1.0 FTE Active
Contract Compliance Specialist III	585	1	1	0	1.0 FTE Active
Contract Compliance Supervisor	585	1	1	0	1.0 FTE Active
Deputy Executive Director - Programs & Projects	1060	1	1	0	1.0 FTE Active
Deputy Executive Director - Finance & Administration	1060	1	1	0	1.0 FTE Active
Deputy General Counsel	525	1	1	0	1.0 FTE Active
Development Specialist - Hunters Point Shipyard	615	1	1	0	1.0 FTE Active
Development Specialist - Mission Bay	615	1	1	0	1.0 FTE Active
Development Specialist - Housing	615	1	1	0	1.0 FTE Active
Development Specialist - Housing	615	1	1	0	1.0 FTE Active
Development Specialist - Transbay	615	1	1	0	1.0 FTE Active
Executive Assistant to Executive Director	1000	1	1	0	1.0 FTE Active
Executive Director	500	1	1	0	1.0 FTE Active
Housing Construction Specialist	1025	1	1	0	1.0 FTE Active
Housing Program Manager	540	1	1	0	1.0 FTE Active
Management Assistant III - Finance	1030	1	1	0	1.0 FTE Active
Management Assistant III - Programs & Projects	1030	1	1	0	1.0 FTE Active
Principal Personnel Analyst	1110	1	1	0	1.0 FTE Active
Project Manager - Mission Bay	590	1	1	0	1.0 FTE Active
Project Manager - Transbay	590	1	1	0	1.0 FTE Active
Records Specialist II	855	1	1	0	1.0 FTE Active
Senior Development Specialist - Housing	595	1	1	0	1.0 FTE Active
Senior Development Specialist - Housing	595	1	1	0	1.0 FTE Active
Senior Financial Analyst	630	1	1	0	1.0 FTE Active
Senior Office Assistant	860	1	1	0	1.0 FTE Active
Senior Office Assistant	860	0	1	1	1.0 FTE Active
Senior Planner	655	1	1	0	1.0 FTE Active
Senior Programmer Analyst	720	1	1	0	1.0 FTE Active
Senior Project Manager - Hunters Point Shipyard	550	1	1	0	1.0 FTE Active
Staff Associate V	930	1	1	0	1.0 FTE Active
Staff Associate VI	935	1	1	0	1.0 FTE Active
Financial Systems Accountant	670	1	1	0	Attrition
Senior Development Specialist	595	1	1	0	Attrition
Senior Development Specialist	595	1	1	0	Attrition
Development Specialist	615	1	1	0	Attrition
Development Specialist	615	1	1	0	Attrition
Senior Development Specialist	595	1	1	0	Attrition
Staff Associate II	915	1	1	0	Attrition
Development Specialist	615	1	1	0	Vacant due to Phase of Project
Accountant II	775	1	1	0	Vacant due to Phase of Project
Assistant Project Manager	990	1	1	0	Vacant due to Phase of Project
Contract Compliance Specialist II	640	1	1	0	Vacant due to Phase of Project
Human Resources Manager	965	1	1	0	Vacant due to Phase of Project
Project Manager	590	1	1	0	Vacant due to Phase of Project
Associate Planner	730	1	1	0	Vacant due to Phase of Project
Senior Engineer	1010	1	0	-1	Tx to Assistant Deputy ED - Admin
Assistant Project Manager	990	1	0	-1	Tx to Senior Office Assistant