Office of Community Investment & Infrastructure

Final Approval of Bonds Series Affordable Housing Bonds (2017A), Transbay Infrastructure Bonds (2017B), & Mission Bay Housing Bonds 2017C

February 21, 2016

OCII

Organizational Bodies

1. **OCII Commission**
2. **Financing Authority**

Proposed Issuances

2017A:	Affordable Housing Taxable, New Money
2017B:	Transbay Infrastructure Tax-exempt, New Money
2017C:	Mission Bay Housing, Taxable New Money & Refunding

2017A: Affordable Housing Bonds

Bond Details

Par Amount:	$90.2M
Credit:	SB107
Subordination:	Loan Agreements 2014B&C
Final Maturity:	August 1, 2046
Avg. Ann Debt Svc:	**$xxx,xxx**
MADS:	2.06X
Addtl Bonds Test:	1.25x

Use of Proceeds

Affordable Housing Bonds	**Affordable Units**
HPS Housing Blocks 54 & 52 Predev	77
Alice Griffith Housing Phase 5 Predev	36
Alice Griffith Housing Phase 6 Predev	131
CP Housing Block 10A Gap	141
CP Housing Block 11A Gap	151
Total	**536**

2017A: Affordable Housing Bonds

Sources:		Uses:	
Par Amount		Project Fund	
Original Issue Premium		COI Fund	
Other Money		Reserve Fund	
Total Sources		**Total Uses**	

2017B: Transbay Infrastructure Bonds

Bond Details

Par Amount:	$33.6M
Use of Proceeds:	Folsom Streetscape, Transbay, Essex & Under-ramp Park
Credit:	SB107
Subordination:	Loan Agreements and 2014B&C
Final Maturity:	August 1, 2046
Avg. Ann Debt Svc:	**#xxx,xxx**
MADS:	2.06X, no growth
Addtl Bonds Test:	1.25x

2017B: Transbay Infrastructure Bonds

Sources:	**Uses:**
Par Amount	Project Fund
Original Issue Premium	COI Fund
Other Money	Reserve Fund
Total Sources	**Total Uses**

2017C: Mission Bay Housing Bonds

Bond Detail

Par Amount:	$44.6M
Credit:	Mission Bay Housing
Refunded Bonds	MBN 2009E, MBN 2011E, MBS 2009E, MBS 2011E
Subordination:	Loan Agreements
Final Maturity:	August 1, 2043
Avg. Ann Debt Svc:	**$xxxx,xxx**
MADS:	1.25x, no growth
Addtl Bonds Test:	1.25x

Use of Proceeds

Mission Bay Bonds	**Affordable Units**
MBS Housing Block 3E Gap	117
MBS Housing Block 9 Predev	98
MBS Housing Block 4E Predev	101
Total	316

2017C: Mission Bay Housing Bonds

2017C complies with debt policy savings requirements

- Debt Policy requires NPV savings of 3%
- 2017C has estimated NPV savings of x%

2017C: Mission Bay Housing Bonds

Sources:	
Par Amount	
Original Issue Premium	
Other Money	
Total Sources	

Uses:	
Project Fund	
COI Fund	
Reserve Fund	
Total Uses	

Commission

Function: OCII Governing body

Role: Confirms conformance with OCII debt policy and accuracy of bond documents

Action: Resolutions approve Official Statement, in substantial form, with non-materials changes delegated to the Executive Director

Official Statement

Discloses information to potential investors regarding structure and security of bonds

Plan of Finance
Sources and Uses
Bonds
Debt Service Schedule
Security and Sources of Payment
Successor Agency
Project Areas
Pledged Tax Rev & Debt Svc
Risk Factors

Limitations on tax revenues
Tax Matters
Litigation
Continuing Disclosure
Legal Matters
Municipal Advisors
Financial Statements
Underwriting

Resolutions

Staff recommends the Commission approve:

Resolution 9-2017 approving Preliminary Official Statement in support of the Affordable Housing Bonds (2017A)

Resolution 10-2017 approving Preliminary Official Statement in support of the Affordable Housing Bonds (2017A)

Financing Authority

- Created as separate entity in 1989
- Pre-dissolution: Facilitated financing for SFRDA and composed of SFRDA Commission Members
- Post-dissolution: Facilitates financing for OCII and composed of OCII Commission Members
- Financing Authority “purchases” bonds from OCII and “sells” them to underwriters
- Approves Bond Purchase Agreements and Redemption Agreements

Financing Authority

Bond Purchase Agreements – Dictate financial terms under which Financing Authority will “purchase” bonds from OCII and “sell” them to underwriters, new money

Redemption Agreements – Dictate financial terms under which refunded “old” bonds will be refunded and refunding “new” bonds will be issued

Resolutions

Staff recommends the Commission approve:

- Resolution 1-2016: Approves execution of Bond Purchase Agreement for 2017A & 2017B
- Resolution 2-2016: Approves execution of Bond Purchase and Redemption Agreement for 2016C

Prior Action

Body	**Date**
Commission	December 6, 2016
Oversight Board	December 12, 2016
Standard & Poor’s	February 13, 2017
Department of Finance	February 15, 2017

Next Steps

Action	**Date**
Bond Issuance	February 2017
Bond Closing	March 2017

THANK YOU

OCII