Office of Community Investment & Infrastructure

Final Approval of Bonds Series 2016A, 2016B, 2016C, 2016D

March 1, 2016

OCII

Organizational Bodies

- **OCII Commission**
  - Is governing body of OCII
  - Approves preliminary and final official statements

- **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
  - Approves redemption agreements and purchase and sale of documents

OCII Enforceable Obligations

Property Tax Increment is pledged to reimburse Mission Bay owner

- Tax Increment is pledged after deduction of pass-throughs and affordable housing increment
- Owner may request OCII issue debt against property tax increment for reimbursement
- Use of tax increment to reimburse developer is an Enforceable Contractual Obligation consistent with Cal Health & Safety Code 34170, 34171(d)(1), and 34177.5(i)
    - Mission Bay Owner Participation Agreement (OPA)
    - Mission Bay North Tax Increment Pledge Agreement
    - Mission Bay South Tax Increment Pledge Agreement

Proposed Issuances

- **2016A** – Mission Bay North, Refunding
- **2016B** – Mission Bay South, New Money
- **2016C** – Mission Bay South, Refunding
- **2016D** – Mission Bay South, New Money

2016A and 2016C: Refunding Bonds

Reduce debt service by $13.5M (NPV)

- 2016A ($125M)
  - Mission Bay North
  - Refunds four outstanding tax allocation bonds

- 2016C ($115M)
  - Mission Bay South
  - Refunds two outstanding tax allocation bonds

2016B and 2016D: New Money

Category	2016B	2016D
Project Area	South	South
Credit	Enrolled Property Tax	Future Property Tax
Seniority	Parity	Subordinate
Sale Type	Negotiated Open Market Sale	Competitive Private Placement
Duration	30 Years	30 Years
Proceeds	$45M	$90M

Bond Proceeds Expenditure

Bond Proceeds will reimburse infrastructure already approved and permitted

- Expended and reimbursable within the next 1-18 months
- City has inspected and found the infrastructure to be completed in accordance with the previously-approved permits

Infrastructure	Expended	Next 1-18 Mo.	Total
Streets and Utilities	$ 40,925,035	$ 28,776,144	$ 69,701,179
Pump Station	$ 7,530,455	$ 7,336,808	$ 14,867,263
Parks	$ 4,939,302	$ 13,320,001	$ 18,259,303
Other	$ 1,535,482	$ 20,418,399	$ 21,953,881
Public Safety Building	$ 6,238,024	$ -	$ 6,238,024
Total	**$ 61,168,297**	**$ 69,851,351**	**$ 131,019,648**

2016D: New Money Subordinate Issuance

- Proposed amount is **not to exceed** $90M
- Issued as a series of issuances, each approved by the Commission
- Current issuance will be supported by properties completed in 16-17 and enrolled in 17-18
- Anticipate $35M-$75M in proceeds for March issuance

CEQA Findings

Approval of Bond Resolutions is exempt for three reasons:

1. It is **not a project** with the potential for causing a significant effect on the environment, CEQA Guidelines § 15061 (b)(3);

2. It is a **government fiscal activity** that does not involve any commitment to any specific project with a potentially significant physical impact on the environment, CEQA Guidelines § 15378 (b)(4); and

3. It constitutes an **administrative activity** that will not result in direct or indirect physical changes in the environment, CEQA Guidelines § 15378 (b)(5).

Resolutions

Commission

- 10-2016: Approves documents related to 2016A
- 11-2016: Approves documents related to 2016B and 2016C
- 12-2016: Approves documents related to 2016D

Financing Authority

- 1-2016: Approves documents related to 2016A
- 2-2016: Approves documents related to 2016B and 2016C
- 3-2016: Approves documents related to 2016D

Prior Action

Body	Approval Date
Commission	October 20, 2015
Oversight Board	December 14, 2015
Board of Supervisors	December 15, 2015
Dept. of Finance	February 19, 2016

Next Steps

- Rating Agency Presentation - March 8, 2016
- Bond Issuance - Mid-March 2016
- Bond Closing - End of March 2016

THANK YOU

