



107-0202026-002

Agenda Item **No. 5(d)**
Meeting of April 7, 2026

INFORMATIONAL MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Workshop on the budgets and levies of special taxes and Annual Appropriations Limits for July 1, 2026, through June 30, 2027 for Community Facilities Districts administered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure (“OCII”), as the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, administers seven Mello-Roos Community Facilities Districts (“CFDs”), across specific areas in the Mission Bay North and South, Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas, as well as in the former Rincon Point South Beach Redevelopment Project Area. When the Redevelopment Agency or OCII established these CFDs, resolutions of formation specified the public facilities and services that a particular CFD would fund. The facilities and services eligible for funding must be consistent with the Mello-Roos Community Facilities Act of 1982 (“Mello Roos Act”), Cal. Govt § 53311 et seq. and with the resolutions of formation for the particular district.

Moreover, as required under the Mello-Roos Act, qualified voters in each CFD approved, by a two-thirds vote, the imposition of special taxes to fund the specified facilities and services. Once approved, the legislative body, i.e. the Commission, levies the annual tax, which cannot exceed the rate authorization in the resolutions of formation. Separately, California law requires a CFD to establish an appropriation limit (also known as the Gann Limit) to limit the growth in appropriations of a special district, subject to adjustments for cost of living and population changes (“Appropriations Limit”).

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The CFD budgets for the costs to be expended must be established and appropriated annually. The proposed Fiscal Year 2026-27 CFD Budgets (“FY 2026-27 CFD Budgets”) includes an estimate of the annual special tax levy. This estimate will be finalized in August 2026.¹ The FY 2026-27 CFD Budgets detail the projected expenditures, including 2026 debt service amounts, and are within the Annual Appropriations Limit, as adjusted under law. The budgets narrative included as Attachment A provides more detail, including background on CFDs and the CFD budget process as well as a budget and workplan for each CFD. The table showing the Annual Appropriations Limits for all CFDs is attached as Attachment B.

DISCUSSION

The Mello-Roos Act provides an alternative method of financing certain public capital facilities and services and allows local agencies to create CFDs to fill some funding gaps created after the passage of Prop 13 (June 1978). CFDs have the power to levy and collect a special tax, finance specified public facilities, provide maintenance type services, and borrow money (i.e., issue bonds or incur debt) to finance these public facilities. A CFD is a voter-approved district that levies a special tax based on the unique Rate and Method of Apportionment (“RMA”) tax formula approved by the Commission at formation. CFDs help to amortize the costs of infrastructure, parks, and other public facilities over a longer time period to reduce the upfront cost burden of these improvements. Repayment of CFD debt is secured by a special tax included on property bills. To form a CFD, the landowners must petition for formation and obtain two-thirds approval with property owners within the district boundaries.

CFDs may fund particular public facilities, services, or both. The CFD formation documents must specify the purpose for imposing the special tax, and implementation of the CFD must be consistent with the formation documents and the Mello-Roos Act. Table 1 lists the CFDs that OCII administers.

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¹ The CFD budget year runs from July 1 to June 30. All of the service CFDs escalate by the change in consumer price index (“CPI”) for either April (CFD No. 1) or June (all other CFDs). The current budget uses the most recent CPI (December) as a placeholder. For CFD’s that are not fully developed, the maximum special taxes are based on the current status of construction for the FY 26-27 special tax levy. Development cut-offs for each particular CFD occur either June 1st or June 30th. Once these past, building permit data is shared that may impact maximum special tax numbers.

Table 1: Background on OCII's CFDs

CFD	Title	Formation Year	Infrastructure/ Maintenance	Term	Outstanding Debt (Millions)	Remaining Bond Authority (Millions)
CFD 1	South Beach Improvements and Maintenance	1988	Infrastructure / Maintenance	Facilities – Ended; Services – No Sunset	\$0.0	\$0.0
CFD 4	Mission Bay North Public Improvements	1999	Infrastructure	2032*	\$0.0	\$0.0
CFD 5	Mission Bay (North and South) Maintenance District	1999	Maintenance of Parks	FY 2043-44	N/A	N/A
CFD 6	Mission Bay South Public Improvements	2000	Infrastructure	2050	\$112.1	\$44.6
CFD 7	Hunters Point Shipyard Phase One Improvements	2005	Infrastructure	FY 2055-56	\$25.5	\$30.5
CFD 8	Hunters Point Shipyard Phase One Maintenance	2008	Maintenance	No sunset	N/A	N/A
CFD 9	Hunters Point Shipyard Phase 2 / Candlestick Point Public Facilities and Services	2018	Infrastructure / Maintenance	Facilities - 75 years; Services - No Sunset	\$0.0	\$202.0 (Project Area 1, Candlestick Point)

Outstanding debt as of August 2025

**CFD 4 term expires in 2032, but outstanding debt was paid off in FY 22-23. CFD 4 does not currently levy a special tax.*

The former Redevelopment Agency established six community facilities districts: Community Facilities District No.1 (South Beach) by Agency Resolution No. 186-88 (Aug. 30, 1988); Community Facilities District No. 4 (Mission Bay North Public Improvements) by Agency Resolution No. 213-99 (Dec. 21, 1999)²; Community Facilities District No. 5 (Mission Bay Maintenance District) by Agency Resolution No. 217-99 (Dec. 21, 1999); Community Facilities District No. 6 (Mission Bay South Public Improvements) by Agency Resolution No. 45-2000 (March 28 2000); Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) by Agency Resolution No. 36-2005 (April 5, 2005); Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance) by Agency Resolution No. 94-2009 (Sep. 2, 2008).

² CFD 4 is currently not levying a special tax and outstanding debt was paid off in FY 22-23.

On February 1, 2012, the State of California dissolved all redevelopment agencies including the former Redevelopment Agency under California Health and Safety Code Section 34170 et seq. (“Redevelopment Dissolution Law”) and established, by operation of state law, successor agencies to wind down and complete redevelopment activities. Under the Redevelopment Dissolution Law and San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Commission and delegating to it state authority under Redevelopment Dissolution Law), the Successor Agency is administering the enforceable obligations of the Former Agency. The Successor Agency also administers the community facilities districts, including the funding of services from special taxes. In administering community facilities districts, the Successor Agency acts under the Mello-Roos Act and not under the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law.

In furtherance of the Former Agency’s obligations under the Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard, the Successor Agency established, by Resolution No. 17-2018 (April 17, 2018), Community Facilities District No. 9 (HPS2/CP Public Facilities and Services).

All of the CFDs described above (the “Agency CFDs”) provide for, among other things, the levy of special taxes, a list of public improvements and/or services eligible for funding with the special taxes, and an Appropriations Limit, as required by applicable law, including the Mello-Roos Act, and by Local Goals and Policies for Community Facilities District (Agency Resolution No 79-2008, July 15, 2008).

FY 2026-27 CFD Budgets

In FY 2026-27, OCII will expend a total of \$56.8 million on six CFDs. Each CFD is a discrete and separate entity, and funds cannot move between CFDs. Table 2 below shows the summary of each CFD by expenditure type. CFD 4 is not reported on Table 2 or 3 due to the fact the outstanding debt was paid off and is currently not levying any special tax.

Table 2: FY 2026-27 CFD Budgets Summary

Expenditure Type	CFD 1	CFD 5	CFD 6	CFD 7	CFD 8	CFD 9
Debt Service			\$8,560,213	\$1,822,938		
Capital Repair	\$738,530				\$684,750	
Maintenance and Operations	\$120,028	\$4,219,386			\$1,319,150	
Infrastructure			\$29,065,816	\$9,033,379		
Administrative Expenses	\$33,250	\$118,999	\$185,549	\$130,832	\$121,547	\$63,156
Contingency					\$200,390	\$395,908
Total	\$891,808	\$4,338,385	\$37,811,578	\$10,987,148	\$2,325,837	\$459,065
Annual Appropriations Limit	\$88,834,402	\$56,884,471	\$142,211,176	\$120,908,502	\$46,503,270	\$272,727,976

The proposed FY 2026-27 CFD Budgets are attached to this memo as Attachment A and provide greater detail for each of the CFD budgets.

Annual Appropriation Limit

In 1979, state voters approved Article XIIB of the Constitution of the State of California to limit the growth in appropriations of local government to changes in the cost of living and population. Total annual appropriations of a local government entity may not exceed the appropriations limit of that entity for the prior year. The Agency's CFDs are subject to this requirement and the FY 2026-27 Annual Appropriations Limit is consistent with the Gann Limit and implementing state law. The proposed budgets for the Agency's CFDs do not exceed the Appropriations Limits.

Section 7910 of the California Government Code provides that each year the governing body of each local government entity shall, at a regularly scheduled meeting or noticed special meeting, establish by resolution its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution. Section 7901 defines changes in the per capita personal income and in population that may provide for an adjustment of the annual Appropriations Limit of a community facilities district. Section 7910 (a) further provides that the documentation used in the determination of the appropriations limit shall be available to the public fifteen days prior to the meeting. On March 23, 2026, OCII provided information on its website notifying the public of the proposed Commission action and availability of documentation regarding the Appropriation Limits.

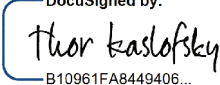
OCII has retained, by Resolution No. 16-2024 (June 18, 2024), Goodwin Consulting Group ("Goodwin"), for special tax consulting services related to CFD requirements. With guidance from the California State Department of Finance ("DOF"), Goodwin prepared a report to update the Appropriations Limits for cost of living and changes in population. Goodwin used information from DOF regarding the change in population and income factors for each year since the formation of our earliest CFD in 1988. DOF publishes an annual letter named "Price Factor and Population Information" every spring which includes the annual percent change in population and annual percent change in cost of living, or price factor, for each local government in California by calendar year and gives instruction on the calculation. The annual percent change in population is multiplied by the annual percent change in price factor to get the appropriations limit adjustment factor. This appropriations limit adjustment factor is then multiplied by the base year to get the subsequent year's annual appropriations limit. This calculation is done from the CFD formation year to the current year. See Attachment B for the calculation of the annual appropriation limits since the establishment of each CFD.

The proposed FY 2026-27 Annual Appropriations Limits are presented below. Note that the final calculations for FY 2026-27 are not available until May 2026. The limits listed below reflect the calculations for the total county population change factor and California per capita personal income factor for FY 2025-26. Table 3 also shows the approved budget amounts along with the proposed annual Appropriations Limits for Fiscal Year 2026-27 ("FY 2026-27") and illustrates that the actual appropriations for each of the CFDs limits are far below the Appropriation Limits.

Table 3: OCII's CFD Appropriations Limits at Formation and in FY 2026-27, and FY 2026-27 Budget

CFD	Formation Year	Appropriations Limits at Formation Year	Appropriations Limits in FY 2026-27	FY 2026-27 Budget
CFD 1	1988	\$20,879,670	\$94,186,572	\$891,808
CFD 5	1999	\$21,102,516	\$60,311,694	\$4,338,385
CFD 6	2000	\$52,756,291	\$150,779,235	\$37,811,578
CFD 7	2005	\$68,812,106	\$128,193,099	\$10,987,148
CFD 8	2008	\$26,466,195	\$49,305,038	\$2,325,837
CFD 9	2018	\$209,619,704	\$289,159,520	\$459,065

(Originated by Mina Yu, Deputy Director of Finance & Administration)

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 Thor Kaslofsky
 Executive Director

Attachment A - FY 2026-27 Budgets for Community Facilities Districts
 Attachment B - FY 2026-27 Annual Appropriations Limits

Attachment A - FY 2026-27 Budgets for Community Facilities Districts

FY 2026-27 Budgets for Community Facility Districts

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 or “OCII”) administers seven Mello-Roos Community Facilities Districts (“CFDs”) in the Mission Bay North and South, Hunters Point Shipyard Phase One, and Hunters Point Shipyard Phase Two-Candlestick Point Project Areas, as well as in the former Rincon Point South Beach Redevelopment Project Area. CFDs are special taxing districts formed under the Mello-Roos Community Facilities Act of 1982, Cal. Government Code §§ 53311 *et seq.*, (“Mello-Roos Act”) to fund the construction or maintenance of specified public facilities and services, and to borrow money (by issuing bonds or incurring other debt) to assist with financing these facilities. One of these CFDs, however, for Mission Bay North public improvements, is inactive as there is no levy of special taxes and no CFD indebtedness associated with the district.

Under the Mello-Roos Act, the Successor Agency Commission (“Commission”) is the legislative body that implements the CFDs and authorizes the levy of special taxes on property owners in a particular area (“Special Taxes”) to construct or maintain specified public facilities benefiting that area. OCII staff administers the CFDs. OCII’s authority as CFD administrator is separate from Redevelopment Dissolution Law. The formation of OCII’s CFDs, however, is related to the enforceable obligations arising under OCII’s former redevelopment authority; for example, the Mission Bay Owner Participation Agreements required the Redevelopment Agency to form and administer certain CFDs. OCII could not form a new CFD today outside of enforceable obligations and must comply with the existing scope of the resolutions of formation authorizing the CFDs.

The CFD budgets include estimates of the special tax levies for Fiscal Year 2026-27, which will be finalized in August 2026. Under the Mello Roos Act, the special tax levy is set by the Rate and Method of Apportionment (“RMA”), which is approved by the Commission at the time of CFD formation. The CFD budgets also detail the projected FY 2026-27 expenditures (“FY 2026-27 CFD Budget”), including 2026 debt service amounts. The following draft budgets narrative provides background on CFDs and the CFD budget process, as well as a budget and workplan for each CFD.

CFD Background

The Mello-Roos Act provides an alternative method of financing certain public capital facilities and maintenance type services and allows local agencies to create CFDs to fill some funding gaps created after the passage of Prop 13 (June 1978). CFDs have the power to:

- Levy and collect special tax;

- Finance specified public facilities and services; and
- Borrow money (issue bonds or incur debt) to finance public facilities.

A CFD is a voter-approved district that levies a special tax based on the unique tax formula RMA approved by the Commission at formation. CFDs help to amortize costs over a longer time period to reduce the upfront burden of development. Repayment of CFD debt is secured by a special tax on property bills. To form a CFD, the landowners must petition for formation and obtain 2/3 approval with property owners within the district boundaries.

CFDs may provide funding to construct public facilities, maintenance type services related to those facilities or both, but the scope of facilities funding or maintenance funding must comply with the CFD formulation documents on which the electors voted. OCII administers the following types of CFDs:

1. **Maintenance CFDs:** CFD 5 Mission Bay (North and South) Maintenance District and CFD 8 Hunters Point Shipyard Phase One Maintenance District provide funds to operate and maintain open space parcels and parks as specified in the applicable resolutions of formation. Maintenance CFDs are formed to fund maintenance services on an on-going basis above and beyond the normal tax base.

Infrastructure CFDs: CFD 6 Mission Bay South Public Improvements District, and CFD 7 Hunters Point Shipyard Phase One Improvements District provide funds to acquire and develop parks and infrastructure such as streetscapes and sewers in the district¹. CFD 4 was established to fund the reimbursement of public infrastructure in Mission Bay North, such as streets, utilities, and parks that have been constructed by the Mission Bay master developer. However, CFD 4 is not currently levying a special tax and all outstanding debt was paid of in FY 2022-23. Infrastructure CFDs in OCII Redevelopment Project Areas were formed to provide a revenue source for infrastructure before property tax increment was available, (i.e., largely when the developer was the property owner and the sole taxpayer). Infrastructure CFDs often issue bonds to fund infrastructure. The amount of debt each CFD may issue is established by the Commission at CFD formation. The special tax collected in the CFD pays the debt service on the bonds. For infrastructure CFDs, the funds can only be used for infrastructure in each Project Area's Infrastructure Plan. The funds cannot be used for repairs.

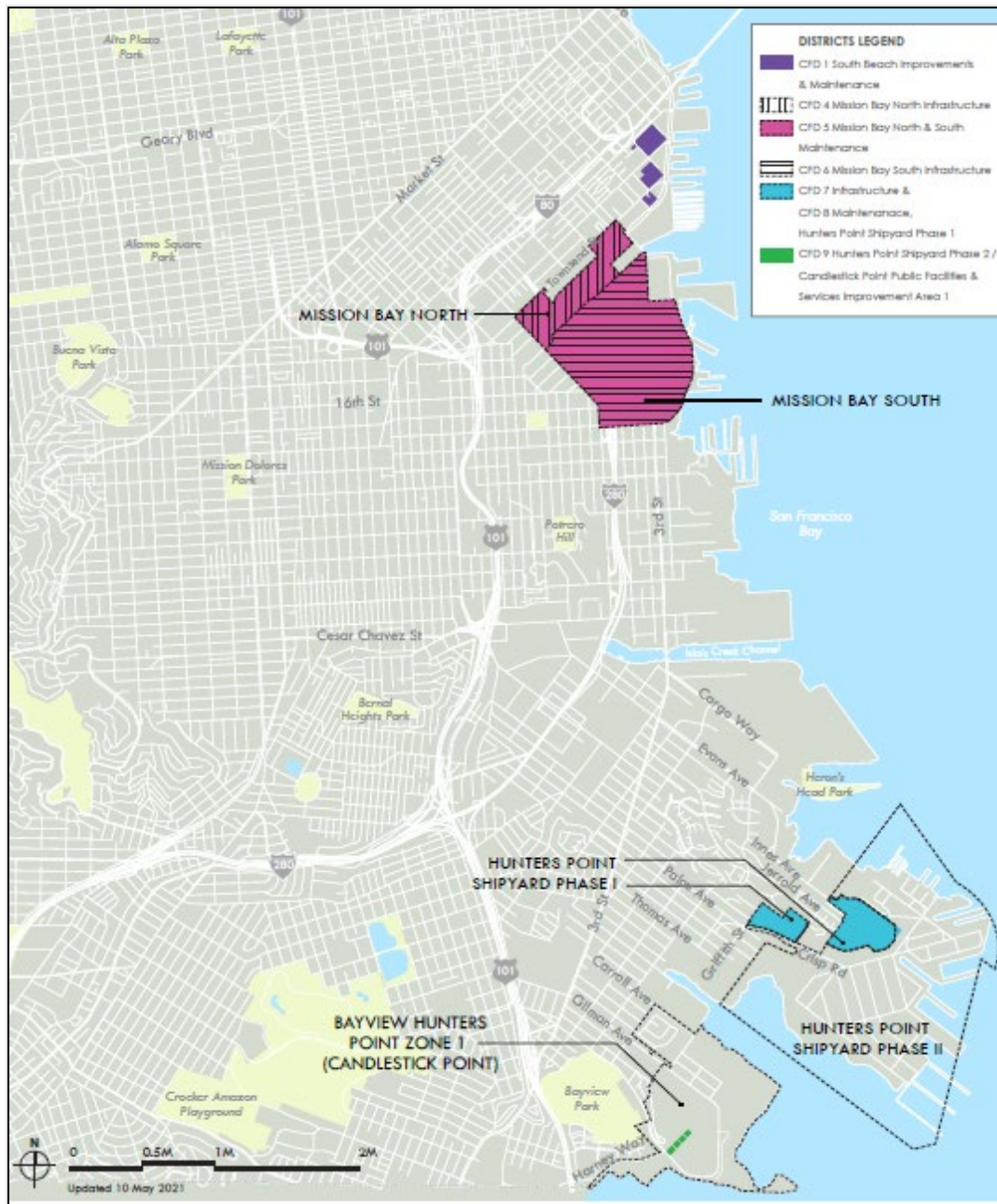
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3. **Infrastructure and Maintenance CFDs:** CFD 1 South Beach Improvements and Maintenance District and CFD 9 Hunters Point Shipyard Phase Two / Candlestick Point Public Facilities and Services District are both infrastructure and maintenance CFDs. At this time, both districts levy only the services portion of the special tax levy; CFD 1 because the infrastructure improvements

¹ CFD 4 Mission Bay North Public Improvements District is also an infrastructure CFD, but is no longer active. It does not collect special taxes and does not have any CFD indebtedness.

for the CFD are complete and the debt is fully matured or paid off, and CFD 9 because no debt has been issued and no infrastructure improvements are yet under construction.

Map 1 shows the locations of the existing OCII CFDs in San Francisco.

Map 1: Geographic Boundaries of OCII's CFDs



Map 2 shows the locations of the parks in Mission Bay.

Map 2: Mission Bay Parks



Map 3 shows the locations of the parks in Hunters Point Shipyard/Candlestick Park.

Map 3: Hunters Point Shipyard Candlestick Point Parks



Table 1 shows background on OCII's CFDs.

Table 1: Background on OCII's CFDs

CFD	Title	Formation Year	Infrastructure/ Maintenance	Term	Outstanding Debt (Millions)	Remaining Bond Authority (Millions)
CFD 1	South Beach Improvements and Maintenance	1988	Infrastructure / Maintenance	Facilities – Ended; Services – No Sunset	\$0.0	\$0.0
CFD 4	Mission Bay North Public Improvements	1999	Infrastructure	2032*	\$0.0	\$0.0
CFD 5	Mission Bay (North and South) Maintenance District	1999	Maintenance of Parks	FY 2043-44	N/A	N/A
CFD 6	Mission Bay South Public Improvements	2000	Infrastructure	2050	\$112.1	\$44.6
CFD 7	Hunters Point Shipyard Phase One Improvements	2005	Infrastructure	FY 2055-56	\$25.5	\$30.5
CFD 8	Hunters Point Shipyard Phase One Maintenance	2008	Maintenance	No sunset	N/A	N/A
CFD 9	Hunters Point Shipyard Phase 2 / Candlestick Point Public Facilities and Services	2018	Infrastructure / Maintenance	Facilities - 75 years; Services - No Sunset	\$0.0	\$202.0 (Project Area 1)

Outstanding debt as of 8/31/25.

**CFD 4 term expires in 2032, but outstanding debt was paid off in FY 22-23. CFD 4 does not currently levy a special tax.*

The term is the length of time through which the CFD is active. Outstanding debt shows the amount of principal outstanding for CFDs that have issued bonds. The maximum bond authorization is the remaining amount of debt the CFD may issue.

CFD Budgets Process

The CFD budgets are set each year first through the updating of the special tax. Each CFD levy is set each year based on the RMA of special taxes, as adopted in each CFD's resolution of formation.

The maximum special tax rates for each CFD are based on the amount of taxable property in each CFD as well as allowed inflation rates for the year. Furthermore, the special tax levy cannot be set higher than total projected expenditures for the CFD. Each year, the special tax levy is finalized in early August after development status is finalized as of June 30 and the inflation rate is established by Consumer Price Index ("CPI") published by the Bureau of Labor Statistics in July of each year.

The FY 2026-27 CFD budgets sources include the projected special tax levy for FY 2026-27, which assumes the FY 2025-26 special tax levy amount inflated by CPI. Budgets sources also include special tax fund balance, which is special tax collected in a prior year but unexpended.

FY 2026-27 CFD Budgets

The Expenditure categories for the FY 2026-27 budgets include:

- **Debt Service:** Debt service payments on previously issued debt for infrastructure districts that have issued bonds to reimburse infrastructure built in the district or refund outstanding bond proceeds.
- **Capital:** Payments to maintain, install, or repair capital improvements in parks and open space.
- **Maintenance and Operations:** Services provided under contract or under a joint facilities agreement with OCII to maintain park systems and streetscapes in maintenance CFDs, often including landscaping, janitorial, security, utilities, and tree maintenance services.
- **Infrastructure Reimbursement:** Direct reimbursement to developer for costs of completed infrastructure.
- **Administrative Expenses:** OCII staffing and administration costs (including partial funding for CFD staff to oversee the CFDs, insurance costs, 1% County admin fee), which include budgeting, accounting, monitoring on-going revenue and expenditures, managing the bond portfolio and debt service payments, and complying with reporting requirements. CFD administration requires technical tax experience and therefore OCII has retained the services of a special tax consultant, Goodwin Consulting Group, Inc. (“Goodwin”) to assist OCII in the CFDs’ administration. Goodwin will perform a subset of the more technical administrative activities including administering the special tax, ensuring compliance with annual disclosure and reporting requirements, and providing as needed analytical support for bond issuance or other matters.
- **Contingency:** Reserve for unforeseen expenditures.

Special taxes represent 100% of the revenue funding for the annual budget of the CFDs that collect a special tax levy. All CFDs levy a special tax except for CFD 4. Some CFDs have a Contingency, which is shown by individual CFD below. Contingencies reflect special tax received and budgeted in prior years that has not yet been expended and are held in reserve. This occurs when CFD expenditures are less than anticipated.

Below are the individual CFD budgets by project area and CFD.

RINCON POINT SOUTH BEACH

CFD 1: South Beach Improvements and Maintenance

CFD 1, OCII's oldest CFD, provides landscape and hardscape maintenance for four public plazas, irrigation, special plaza furniture, lighting systems; and streetscape maintenance in several areas within the former Rincon Point South Beach Project Area. OCII approved, by Resolution No. 2-2025 (Feb. 4, 2025), a contract with Korotkin Associates to provide these services. This contract expires February 28, 2028. OCII is currently reviewing the status of the Korotkin Associates contract in light of changes in ownership. The review will result in either the continuation of the contract, a new RFP to select a contractor or transfer of maintenance responsibilities to the Port which is the underlying land owner of CFD 1. CFD 1 is an infrastructure and maintenance CFD; however, as all bond proceeds have been expended and the bonds have been repaid, the infrastructure portion of the CFD 1 financing is no longer active. Therefore, the special tax only funds the maintenance, capital repairs and administration of this CFD.

In FY 2026-27, CFD 1 has a budget of \$0.9 million. The majority of expenses are spent on planned repairs on existing capital, followed by on-going operational and capital improvement costs, as summarized in the table and text below. In FY 2026-27, the special tax levy will fund \$0.2 million of CFD 1 expenditures. CFD 1 also anticipates using \$0.7 million of the fund balance to fund capital improvements, which have been included in the maintenance contract. The capital improvements will include, but are not limited to, resetting pavers and stones, replacing missing pavement and stones, planting trees in empty tree wells, replacing at-risk plaza trees, irrigation repairs, replacing plaza light poles, and replacing or aligning bollards. In FY 2026-27, OCII will continue to work with its current contractor to maintain the plazas and streetscapes. Table 3 shows the FY 2026-27 CFD 1 Budget.

As of December 31, 2025, CFD 1 had a fund balance of \$0.7 million, all of which is included in the FY2026-27 budget. The fund balance is composed wholly of special tax levied in prior years but unexpended.

Table 3: FY 2026-27 CFD 1 Budget

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain plazas and streetscapes including landscaping, janitorial services, and utilities	\$120,028	\$0	\$120,028
Capital Repair	Planned repairs on existing capital	\$68,227	\$670,303	\$738,530
Administrative Expenses	Staffing and consulting costs to administer CFD	\$33,250		\$33,250
Total		\$221,504	\$670,303	\$891,808

MISSION BAY NORTH AND SOUTH

The Mission Bay Project Areas include CFD 4, an infrastructure CFD for Mission Bay North; CFD 6, an infrastructure CFD for Mission Bay South; and CFD 5, a maintenance CFD for Mission Bay North and South.

CFD 4: Mission Bay North Public Improvements

CFD 4 was established to fund the reimbursement of public infrastructure in Mission Bay North, such as streets, utilities, and parks that have been constructed by the Mission Bay master developer. The FY 2026-27 CFD 4 budget is \$0 due to the fact the outstanding debt was paid off in FY 22-23, and CFD 4 is currently not levying a special tax.

CFD 6: Mission Bay South Public Improvements

CFD 6 levies a special tax to fund debt service and to reimburse the Mission Bay master developer for public infrastructure built in the district, such as streets, utilities, and parks. Any special tax remaining at the end of the year stays in the fund balance and will be used to fund future reimbursement requests by the master developer for completed infrastructure that the City has accepted.

The FY 2026-27 CFD 6 Budget includes \$37.8 million in expenditures, the largest portion of which reflects funds to reimburse the developer for reimbursement claims submitted for infrastructure work completed. The second largest expense is debt service payments for the CFD 6 Special Tax Bond Series 2023 for Mission Bay South public improvements. The smallest expenditure is for administrative expenses. As of December 31, 2025, CFD 6 had a fund balance of \$25.5 million. All of these funds are budgeted in FY 2026-27 to reimburse the developer for reimbursement applications submitted for completed infrastructure work.

Table 5: FY 2026-27 CFD 6 Budget

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Debt Service	Debt service for previously issued debt	\$8,560,213		\$8,560,213
Administrative Expenses	Staffing and consulting costs to administer CFD	\$185,549		\$185,549
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$3,582,301	\$25,483,516	\$29,065,816
Total		\$12,328,062	\$25,483,516	\$37,811,578

Series 2005A, 2005B, 2013A, 2013B and 2013C bonds were issued in CFD 6, and the proceeds from these bonds have been fully expended to reimburse the developer for infrastructure completed in the district. The CFD 6 Special Tax Bond Series for Mission Bay South public improvements was refunded in FY 23-24 to take advantage of market conditions and savings. The CFD 6 Special Tax Bond Series 2023 will have an outstanding principal of \$112.1 million at the beginning of FY 2026-27.

CFD 5: Mission Bay (North & South) Maintenance

CFD 5 levies a special tax to maintain the passive and active park and open space in Mission Bay. For FY 2026-27 there will be 30.7 acres of park and open to maintain. When all the Mission Bay parks are complete, CFD 5 will include 41 total acres of park and CFD 5 funds will remain available to cover park maintenance costs until 2044. Maintenance and operations expenses include landscaping, janitorial and security. CFD 5 funds can only be used for maintenance and repairs of Mission Bay parks and cannot be used on infrastructure.

Pursuant to the Long Range Property Management Plan and as part of the ongoing asset transfer process, OCII terminated its Ground Lease with the City and County of San Francisco which owns the Mission Bay park parcels, on January 1, 2024 and entered into a Joint Community Facilities Agreement with the City (“JCFA”) to have the City receive CFD 5 funds and maintain the Mission Bay parks system. Under the JCFA: “For so long as CFD No. 5 exists, OCII, acting as the legislative body of CFD No. 5, will approve, in its sole discretion, an annual budget for CFD No. 5 Funds consistent with CFD Requirements detailing the maximum amount of funding available for the maintenance and operations of the Mission Bay Parks after deducting its reasonable administrative costs.” Section 5 (c) of the JCFA.

In FY 2026-27, OCII will continue to provide the City and County of San Francisco Recreation & Park Department (“RPD”), the City and County of San Francisco Public Works Department (“PW”) and the Port of San Francisco (“Port”) with CFD 5 funds for the maintenance and operations of the park and open spaces. The JCFA requires that the “RPD and the Port will work together to create annual budgets and to agree upon an equitable method of dividing the CFD No. 5 funds for the Mission Bay Parks between them each year, in consultation with the Controller and approval by OCII.” Section 5 (g) of the JCFA.

The FY 2026-27 CFD 5 budget includes up to \$4.3 million in expenditures. The vast majority of total expenditures are budgeted for maintenance and operations provided by RPD, DPW and the Port to operate the 30.7 acres of completed parks and open space across the district. Per RPD, DPW and the Port, parks maintenance and operations for the district are \$4.2 million in FY 2026-27. The CFD 5 budget includes a small expenditure for administrative expenses. CFD 5 will generate \$3.2 million in special taxes, and \$1.2 million will be drawn from fund balance to cover the gap.

Table 6: FY 2026-27 CFD 5 Budget

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain park system including landscaping, janitorial, and security	\$3,045,397	\$1,173,989	\$4,219,386
Administrative Expenses	Staffing and consulting costs to administer CFD	\$118,999	\$0	\$118,999
Total		\$3,164,396	\$1,173,989	\$4,338,385

As of December 31, 2025, CFD 5 had a fund balance of \$11.8 million, but expenditures in the district are projected to continue to exceed revenue as new open space is added to the system. Therefore, the existing fund balance will be used to offset future funding shortfalls. RPD and the Port will be required to fund shortfall beyond what can be covered by the CFD 5 fund balance in future years.

HUNTERS POINT SHIPYARD

The Hunters Point Shipyard project area includes CFD 7, an infrastructure CFD for Hunters Point Shipyard Phase 1; CFD 8, a maintenance CFD for Hunters Point Shipyard/Candlestick Point Phase 1; and CFD 9, an infrastructure and maintenance CFD for Hunters Point Shipyard/Candlestick Point Phase 2.

CFD 7: Hunters Point Shipyard Phase One Improvements

CFD 7 levies a special tax to fund debt service and to reimburse the Shipyard Phase One developer for public infrastructure built in the district, such as streets, utilities, and parks. Any special tax remaining at the end of the year falls to fund balance, which will be used to reimburse the developer for infrastructure as it is completed.

The FY 2026-27 CFD 7 budget includes \$11.0 million in expenditures. The majority of the expenditures are budgeted for direct reimbursement of infrastructure costs. The second highest expenditure is budgeted for debt service. The smallest portion of expenditure is budgeted for administrative expenses.

Table 7: FY 2026-27 CFD 7 Budget

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Debt Service	Debt service for previously issued debt	\$1,822,938		\$1,822,938
Administrative Expenses	Staffing and consulting costs to administer CFD	\$130,832		\$130,832
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$1,112,549	\$7,920,829	\$9,033,379
Total		\$3,066,318	\$7,920,829	\$10,987,148

The majority of the FY 2026-27 CFD 7 Budget is fund balance. The fund balance was generated over the years while the developer completed infrastructure, such as streets and parks, in preparation for a reimbursement request. In those years, the CFD retained collected special tax to fund these future infrastructure reimbursement requests. In FY 2026-27, the developer will submit an infrastructure reimbursement that will reimburse multiple years of infrastructure costs. The remainder of the budget is supported by the FY 2026-27 special tax levy.

Series 2014 Bonds were issued for CFD 7, and the proceeds from this bond have been fully expended to reimburse the developer for infrastructure completed in the district. This bond will have an outstanding principal of \$25.5 million at the beginning of FY 2026-27. OCII does not plan to issue additional debt in FY 2026-27.

CFD 8: Hunters Point Shipyard Phase One Maintenance

CFD 8 levies a special tax to fund the maintenance of 5 acres of active park space, including a regional park, a neighborhood park, and 8 pocket parks, a Community Facilities Building (“CFB”), 13 acres of open space, and streetscape improvements (“HPS 1 Facilities”). OCII owns the land on which the HPS 1 Facilities have been developed. The developer HPS Development Co., LP constructs and maintains the parks and open space until the HPS 1 Facilities are complete and are submitted for inspection to receive a Certificate of Completion. Upon receipt of the Certificate of Completion, maintenance responsibilities are transferred to OCII (or in the case of streets and sidewalks, are transferred as right of way to the City). Pocket Parks numbers 9-16, Galvez Overlook, Coleman Promenade, and the CFB have transferred to OCII.

In FY 2026-27, OCII will continue to accept completed HPS 1 Facilities from the developer and RPD will manage the accepted Facilities through a Memorandum of Agreement. In addition, the Commission approved, by Resolution No. 6-2026 (March 17, 2026), a Joint Community Facilities Agreement with the City, through its RPD and Arts Commission, for CFD 8 (“JCFA-CFD8”). Upon approval by the Board of Supervisors, the JCFA-CFD8 will replace the above-reference Memorandum of Agreement and provide CFD 8 funds for the completed Facilities. At full build

out, the responsibilities include landscape maintenance, janitorial services, building maintenance, property management, capital repairs, park streetscapes, subdrains, and public artworks.

Under the Redevelopment Dissolution Law, the ownership of the HPS 1 Facilities must be transferred to the City. OCII staff and the City have proposed a Conveyance Agreement to transfer ownership of the parks and open space to RPD, the streetscapes to DPW, and the artworks to the San Francisco Arts Commission. The Conveyance Agreement implements the approval by the Oversight Board and Department of Finance to transfer the Facilities to the City for a governmental purpose. Oversight Board Resolution No. 14-2015 (Nov. 23, 2015). There are no Port parks in the HPS 1 Facilities. OCII anticipates transferring the ownership of all the Hilltop Facilities to the City in the Summer 2026, subject to Board of Supervisors' acceptance.

Table 8: FY 2026-27 CFD 8 Budget

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain and operate the Facilities. Includes utilities	\$1,319,150		\$1,319,150
Capital Expenses	Planned capital expenses	\$396,688	\$288,062	\$684,750
Administrative Expenses	Staffing and consulting costs to administer CFD	\$121,547		\$121,547
Contingency Reserve	Reserve for maintenance, capital and administrative expenditures		\$200,390	\$200,390
Total		\$1,837,385	\$488,452	\$2,325,837

The FY 2026-27 CFD 8 budget is \$2.3 million. The proposed FY 2026-27 CFD 8 budget includes \$1.8 million from special taxes and \$0.5 million from fund balance. As of December 31, 2026, CFD 8 had a fund balance of \$11.6 million. The fund balance is composed wholly of special tax levied in prior years but unexpended.

CFD 9: Hunters Point Shipyard Phase 2 / Candlestick Point Public Facilities and Services

CFD 9 is both a maintenance and infrastructure CFD. However, because no infrastructure has been completed in the district, the CFD levies only a portion of the maintenance special tax levy. FivePoint pays this special tax levy.

The FY 2026-27 budget includes \$0.5 million in expenditures. The majority of expenditures consist of the contingency reserve for future park maintenance. The budget also includes funds for administrative expenses.

Table 9: FY 2026-27 CFD 9 Budget

Expenditure Type	Expenditure Detail	Special Tax
Administrative Expenses	Staffing and consulting costs to administer CFD	\$63,156
Contingency Reserve	Reserve for maintenance, operations, and capital expenditures	\$395,908
Total		\$459,065

Although no open space has been completed in the district, the CFD levies a special tax to build a replacement reserve for future maintenance and operations. Once open space is complete and maintenance is funded by the CFD, large one-time expenses, such as replacing pavers, lighting and other fixtures, may occur.

As of December 31, 2025, CFD 9 had a fund balance of \$3.2 million. The fund balance is generated through the maintenance special tax levy in the district.

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
Community Facilities Districts
Appropriations Limit Adjustment Factor and Calculations

Appropriations Limit Change Factors /1				Appropriations Limit Calculations						
Year	Total County Population Change Factor	California Per Capita Personal Income Factor	Appropriations Limit Adjustment Factor	FY Change	CFD No. 1 As of Aug 1989 \$20,000,000	CFD No. 5 As of Dec 1999 \$20,000,000	CFD No. 6 As of March 2000 \$50,000,000	CFD No. 7 As of Sept. 2008 \$65,000,000	CFD No. 8 As of Sept. 2008 \$25,000,000	CFD No. 9 As of April 2018 \$200,000,000
Jan 1989 to Jan 1990	-0.40%	4.21%	1.0379	1990-91	\$20,758,632	--	--	--	--	--
Jan 1990 to Jan 1991	0.41%	4.14%	1.0457	1991-92	\$21,706,673	--	--	--	--	--
Jan 1991 to Jan 1992	0.68%	-0.64%	1.0004	1992-93	\$21,714,411	--	--	--	--	--
Jan 1992 to Jan 1993	1.69%	2.72%	1.0446	1993-94	\$22,681,999	--	--	--	--	--
Jan 1993 to Jan 1994	1.16%	0.71%	1.0188	1994-95	\$23,108,020	--	--	--	--	--
Jan 1994 to Jan 1995	1.38%	4.72%	1.0617	1995-96	\$24,532,661	--	--	--	--	--
Jan 1995 to Jan 1996	0.79%	4.67%	1.0550	1996-97	\$25,881,195	--	--	--	--	--
Jan 1996 to Jan 1997	2.84%	4.67%	1.0764	1997-98	\$27,859,198	--	--	--	--	--
Jan 1997 to Jan 1998	2.02%	4.15%	1.0625	1998-99	\$29,601,465	--	--	--	--	--
Jan 1998 to Jan 1999	0.94%	4.53%	1.0551	1999-00	\$31,233,270	--	--	--	--	--
Jan 1999 to Jan 2000	1.05%	4.91%	1.0601	2000-01	\$33,110,876	\$21,202,311	\$53,005,778	--	--	--
Jan 2000 to Jan 2001	1.58%	7.82%	1.0952	2001-02	\$36,264,208	\$23,221,525	\$58,053,812	--	--	--
Jan 2001 to Jan 2002	1.02%	-1.27%	0.9974	2002-03	\$36,168,850	\$23,160,463	\$57,901,158	--	--	--
Jan 2002 to Jan 2003	0.33%	2.31%	1.0265	2003-04	\$37,126,465	\$23,773,665	\$59,434,162	--	--	--
Jan 2003 to Jan 2004	0.38%	3.28%	1.0367	2004-05	\$38,489,921	\$24,646,744	\$61,616,860	--	--	--
Jan 2004 to Jan 2005	0.74%	5.26%	1.0604	2005-06	\$40,814,298	\$26,135,142	\$65,337,856	--	--	--
Jan 2005 to Jan 2006	0.72%	3.96%	1.0471	2006-07	\$42,736,044	\$27,365,719	\$68,414,296	--	--	--
Jan 2006 to Jan 2007	1.09%	4.42%	1.0556	2007-08	\$45,111,390	\$28,886,754	\$72,216,885	--	--	--
Jan 2007 to Jan 2008	1.51%	4.29%	1.0586	2008-09	\$47,757,073	\$30,580,898	\$76,452,245	--	--	--
Jan 2008 to Jan 2009	1.22%	0.62%	1.0185	2009-10	\$48,639,415	\$31,145,900	\$77,864,749	\$66,200,917	\$25,461,891	--
Jan 2009 to Jan 2010	1.12%	-2.54%	0.9855	2010-11	\$47,934,899	\$30,694,768	\$76,736,919	\$65,242,031	\$25,093,089	--
Jan 2010 to Jan 2011	0.97%	2.51%	1.0350	2011-12	\$49,614,704	\$31,770,419	\$79,426,047	\$67,528,338	\$25,972,438	--
Jan 2011 to Jan 2012	0.47%	3.77%	1.0426	2012-13	\$51,727,159	\$33,123,114	\$82,807,785	\$70,403,505	\$27,078,271	--
Jan 2012 to Jan 2013	1.08%	5.12%	1.0626	2013-14	\$54,962,846	\$35,195,063	\$87,987,657	\$74,807,452	\$28,772,097	--
Jan 2013 to Jan 2014	1.29%	-0.23%	1.0106	2014-15	\$55,543,821	\$35,567,086	\$88,917,716	\$75,598,192	\$29,076,228	--
Jan 2014 to Jan 2015	1.22%	3.82%	1.0509	2015-16	\$58,369,115	\$37,376,243	\$93,440,608	\$79,443,572	\$30,555,220	--
Jan 2015 to Jan 2016	1.06%	5.37%	1.0649	2016-17	\$62,155,474	\$39,800,811	\$99,502,027	\$84,597,015	\$32,537,313	--
Jan 2016 to Jan 2017	1.08%	3.69%	1.0481	2017-18	\$65,145,061	\$41,715,171	\$104,287,927	\$88,666,006	\$34,102,310	--
Jan 2017 to Jan 2018	1.14%	3.67%	1.0485	2018-19	\$68,305,793	\$43,739,123	\$109,347,808	\$92,967,937	\$35,756,899	\$209,703,676
Jan 2018 to Jan 2019	0.33%	3.85%	1.0419	2019-20	\$71,169,654	\$45,572,976	\$113,932,439	\$96,865,809	\$37,256,080	\$218,495,933
Jan 2019 to Jan 2020	0.76%	3.73%	1.0452	2020-21	\$74,385,346	\$47,632,121	\$119,080,304	\$101,242,543	\$38,939,440	\$228,368,339
Jan 2020 to Jan 2021	-1.66%	5.73%	1.0397	2021-22	\$77,342,076	\$49,525,442	\$123,813,605	\$105,266,815	\$40,487,236	\$237,445,711
Jan 2021 to Jan 2022	-0.79%	7.55%	1.0670	2022-23	\$82,524,270	\$52,843,822	\$132,109,556	\$112,320,065	\$43,200,025	\$253,355,417
Jan 2022 to Jan 2023	-0.64%	4.44%	1.0377	2023-24	\$85,636,742	\$54,836,872	\$137,092,179	\$116,556,310	\$44,829,350	\$262,910,929
Jan 2023 to Jan 2024	0.11%	3.62%	1.0373	2024-25	\$88,834,402	\$56,884,471	\$142,211,176	\$120,908,502	\$46,503,270	\$272,727,976
Jan 2024 to Jan 2025	-0.39%	6.44%	1.0602	2025-26	\$94,186,572	\$60,311,694	\$150,779,235	\$128,193,099	\$49,305,038	\$289,159,520

/1 The total County Population Change Factor and California Per Capital Personal Income Factor per the California State Department of Finance. The Appropriations Limit Adjustment Factor is determined by multiplying the Population Change Factor by the Income Factor.

Sources: California Department of Finance; Goodwin Consulting Group, Inc.