

Oversight Board of the City and County of San Francisco

Replacement Housing Bonds

May 11, 2026



Background

- **Enforceable Obligations**

- Replacement Housing Obligation – 5,842 Units

- **Enabling Authority**

- California Health and Safety Code: Section 34177.7 (a)(1)(C)
 - “paid solely from property tax revenues available in the Redevelopment Property Tax Trust Fund to the extent the property tax revenues represent the amount of revenues on deposit in the Redevelopment Property Tax Trust Fund that otherwise would have been distributed to the City and County of San Francisco”

- **Recognized Obligation Payment Schedule (“ROPS”)**

- April 15, 2026: DOF approved FY 2026-27 ROPS enforceable obligations authorizing an affordable housing project, the funding of which is dependent on Replacement Housing bonds (the 2026 Bonds), provided that it is “funded solely with residual property tax revenues and other financing sources.”

Overview

- **Replacement Housing Bonds Purpose**

Project Area	Project Name	Units
Mission Bay South	Block 4 East Phase 2 (predevelopment and construction)	233
Western Addition	Freedom West (predevelopment)	247
Total		480

Sources by Uses

Sources:	Amount
Bond Principal	\$147,160,000
Total Sources	\$147,160,000
Uses:	
Replacement Housing Project Fund	\$135,000,000
Debt Service Reserve Fund	10,819,986
Cost of Issuance	600,000
Underwriter's Discount	735,800
Additional Proceeds / Rounding	4,214
Total Uses	\$147,160,000

The actual issuance amount will be finalized in the weeks before the bond issuance and will be based on the most up-to-date project costs and market conditions

Proposed Action

Approve OCII's issuance of the Bonds

Make Determinations per Sections 34177.7(a)(1)(C), 34177.7(f) and 34180(b); California Health and Safety Code

- Authorize OCII to recover its issuance costs from the proceeds of the Bonds
- Authorize OCII to expend bond proceeds to finance Replacement Housing Obligations and the issuance costs of the Bonds
- Authorize OCII to receive its Administrative Cost Allowance (“ACA”), with no deductions related to the Bonds
- Entitle OCII to recover costs of issuance incurred for issuance of the Bonds from property tax, without reduction in its ACA

Proposed Action

Approve OCII's execution of bond documents

1. Indenture of Trust

- Date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration, privileges, manner of execution, place of payment, terms of redemption and other terms

2. Bond Purchase Agreement

- The principal amount, underwriter's discount, and the coupons and yields of the Bonds, all of which will be determined on the day of bond pricing

Next Steps

Actions Necessary to Complete the Proposed Bond Transaction

Date	Action
May 11	Oversight Board consideration of indenture and bond purchase contract
May 18	Submission of Oversight Board approval resolution and related documents to DOF for review and approval
July 22	Final date for DOF determination regarding issuance (65 days)
July 28	Board of Supervisors approves OCII Fiscal Year 2026-27 budget and financing amount for the Bonds
Oct. 6	After DOF approval, Commission consideration of preliminary official statement and other actions necessary for issuance
Nov. 17	Bond pricing, interest rates set
Dec. 1	Bond closing, funds received

Replacement Housing Bonds

Questions / Comments