

OVERSIGHT BOARD

Successor Agency to the Redevelopment Agency of the City and County of San Francisco

Lydia Ely, Chair
Anna Van Degna, Vice Chair
Licinia Iberri
Janice Li
Alison Warner
Luis Zamora

IN-PERSON: CITY HALL, ROOM 400
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA 94102

MINUTES OF A SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 11TH DAY OF MAY 2026

The members of the Oversight Board of the City and County of San Francisco met in a special meeting in person at 11:00 a.m. on the 11th day of May 2026 at City Hall, Room 400, 1 Dr Carlton B. Goodlett Place, San Francisco, CA 94102

The Oversight Board will convene hybrid meetings that will allow in-person attendance, remote access, and public comment via teleconference. Members of the public may provide public comment in-person at the notified location or remotely via teleconference (detailed instructions available at: <https://sfocii.org/remote-meeting-information>). Members of the public may also submit their comments by email to: commissionsecretary.ocii@sfgov.org; all comments received will be made a part of the official record. Information about the role and composition of the Oversight Board is available at <https://sfocii.org/oversight-board>.

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TO LISTEN TO THE LIVE MEETING OR TO PROVIDE PUBLIC COMMENT:

Dial: 1-415-655-0001 Enter Access Code: 2664 663 7237

Press #, then # again to enter the call.

When prompted, press *3 to request to speak.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order by Chair Ely at 11:00 a.m. She welcomed new Board member Alison Warner, who filled the vacancy for the City and County of San Francisco.

Roll call was taken.

Board member Licinia Iberri - present
Board member Janice Li – present
Board member Alison Warner - present
Board member Luis Zamora - present
Vice Chair Anna Van Degna – present
Chair Lydia Ely - present

All Board members were present. It was noted that the seat for IFPTE Local 21 was still vacant.

Chair Ely read the obligatory land statement.

2. APPROVAL OF MINUTES - Regular Meeting of January 26, 2026

PUBLIC COMMENT - None

Board member Zamora motioned to move Item 2 and it was seconded by Vice-Chair Van Degna.

Voice vote was taken for Item 2.

Board member Iberri - yes
Board member Li – yes
Board member Warner - yes
Board member Zamora - yes
Vice-Chair Van Degna - yes
Chair Ely - yes

ADOPTION: IT WAS VOTED BY SIX BOARD MEMBERS THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF JANUARY 26, 2026, BE ADOPTED.

3. ANNOUNCEMENTS

- A. The next scheduled Board meeting will be a regular meeting held in person at City Hall on Monday, September 14, 2026 at 11:00 a.m. in Room 416.
- B. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting:
Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- C. Announcement of Time Allotment for Public Comments:
Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any

item. It is recommended that members of the public who are attending the meeting in person fill out a “Speaker Card” and submit the completed card to the Commission Secretary. All dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to provide any public comment. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

Secretary Cruz provided instructions for public comment.

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PRESS #, then PRESS # again to enter the call. Press *3 to submit your request to speak.

4. CONSENT AGENDA - None

5. REGULAR AGENDA

- A. Approving, under Sections 34177.7(a)(1)(C), 34177.7(f) and 34180(b) of the California Health and Safety Code, the issuance of new money tax allocation bonds by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco in an aggregate principal amount not to exceed \$180,000,000, and related actions; replacement housing obligations (Discussion and Action) (Resolution No. 04-2026)

Presenters: Thor Kaslofsky, Executive Director; Nicholas Jones, Debt Manager; Elizabeth Colomello, Housing Program Manager

Vice-Chair Van Degna stated that this was a very exciting time. She recalled that this new credit and new lien had been under consideration for awhile starting at the state level. Given that this was a credit by which the debt service would be paid just by the tax revenues by the City and County of San Francisco (CCSF) and not the other taxing entities, she inquired about how this would fit in with OCII’s outstanding portfolio of tax allocation bonds. Ms. Van Degna also inquired about how this \$180 million compared to the amount of other outstanding tax allocation bonds.

Mr. Jones responded that currently OCII had \$814 million of tax allocation bonds outstanding and the debt service on those was about \$80 million annually. He referred to the last page of the attachment to the memo and replied that, in consultation with the underwriter and municipal advisor, they had estimated the debt service on these bonds to be approximately \$10.8 million annually.

Vice-Chair Van Degna referred to the new lien and inquired about how investors might perceive this compared to other outstanding tax allocation bonds or the anticipated credit rating on these bonds versus current tax allocation bonds.

Mr. Jones responded that they had gone through a rigorous evaluation process with S&P’s global ratings in order to evaluate what rating they would likely give the bonds, given different debt service coverage metrics and the indenture. They indicated that they would likely give the bonds an A-rating, the same rating as OCII’s Mission Bay (MB) South bonds. So they were very focused on

making sure that the bonds would receive an investment grade rating and given that that rating was similar to bonds they had sold the previous year, they were comfortable that they would get a similar reception for them.

Vice-Chair Van Degna referred to the schedule outlined in the memo regarding next steps at the City level, and requested confirmation that the Board would consider a budget that would include this bond issue plus another bond issue for affordable housing for a total of not to exceed \$275 million.

Executive Director Kaslofsky responded in the affirmative.

Vice-Chair Van Degna noted that the draft indenture and the draft bond purchase agreement were included in their packet. A continuing disclosure agreement and an official statement were referenced, but the drafts of those documents were not included in the packets. She inquired about whether that was because those documents had only been approved by OCII and not by the Board.

Executive Director Kaslofsky responded in the affirmative. He added that OCII had reviewed and approved those documents on April 21, so that they would be coming up at a future OCII approval.

Board member Zamora wanted to highlight that this had obviously gone through an analysis, whereby OCII had tried to ensure that this was the lowest long-term cost of financing or that the proposed bond issuance did not provide any spikes and did not use variable interest rates. He wanted to recognize this because that was a question they got a lot. They tried to ensure that this would not negatively impact in any way.

Board member Iberri had a procedural question on the decision to link pre-development and construction within a single issuance. She inquired about whether there were approval procedures that could potentially threaten the project not being approved, when bonds would have already been issued. She inquired about how OCII moved from design completion to construction commencement and inquired about who approved that.

Executive Director Kaslofsky responded that the authority to draw or to use tax increment for an affordable housing project was for all the costs in the process of the project, including construction but also pre-development such as design services and staff costs. He deferred to Ms. Colomello for more detail.

Ms. Colomello responded that they went through a separate process for pre-development and for construction financing and then construction financing wrapped in the pre-development financing. She explained that they would go through a loan approval process for each tranche of those loans, but before they did that, they would need to establish that they had the funds on hand. This was the process they were going through currently. Ms. Colomello reported that one of these projects was already funded for pre-development and they were expecting to go forward with more of the pre-development and then the final construction funding through the approval process, which included review and approval by the Citywide Affordable Housing Loan Committee and OCII. Then OCII would use the bond proceeds to provide the loan to the developers.

Board member Iberri inquired about whether it was typical for OCII to do it this way. She inquired about whether it had ever happened that OCII had changed its mind about a project but bonds had already been issued for it and now had that money on hand which could not be spent because of the regulatory or political decisions.

Executive Director Kaslofsky responded that it had happened that a project had stalled out for one or several reasons, in which case OCII used those bond proceeds for another affordable housing project.

Chair Ely inquired about, if the funds were in hand on December 1, when OCII would be ready to deploy them to the two projects.

Ms. Colomello responded that the expectation would be that within the month or two after that, OCII would be finalizing the process with the actual loans that those bonds were funding. She added that they typically tried to link it up as soon as possible.

Executive Director Kaslofsky added that they were doing this at this time because those funds were expected to be expended within this fiscal year.

Board member Li inquired about whether there would be any additional action which would need to be taken if these funds were not expended within the end of the year. She understood that the funds would go back to OCII coffers, but inquired about whether that would come up in a future ROPS approval by the Board where it would be reallocated.

Ms. Colomello responded in the affirmative. She explained that if one of these projects did not move forward or if OCII did not use all the funds, they would still need to go through the same approval process through the ROPS to allocate the funds to other projects, both through the budget process and individually for each loan made.

Executive Director Kaslofsky stated that with the larger bond amounts such as the MB4 East project, they would need to be at very high level of certainty, and would have progressed through much of the project design before issuing the size of the bond rather than issuing a small amount for pre-development. He reported that for MB4 East, OCII was at the design development stage for the design documents and had several approvals including those by the Planning Commission and the Board of Supervisors. As a result, OCII was nearing their tax credit state level application stage scheduled for January 2027. Therefore, Mr. Kaslofsky explained that they needed the funds to be on hand to make those applications competitive. He acknowledged that anything could happen between now and then, but OCII had progressed through the process and were in the final stages.

Chair Ely referred to the schedule on page 7, where it listed that “October 6 - after DOF approval, OCII consideration of preliminary official statement” and inquired about whether that was an additional DOF approval or whether it was the same one as was listed in July.

Mr. Jones responded that it would be an additional OCII approval just to approve the preliminary official statement. He explained that OCII would not move forward with approval of the preliminary official statement if DOF did not approve the issuance.

Chair Ely inquired about whether this was conditioned on the July 22 approval or whether it was an additional approval.

Executive Director Kaslofsky responded that the October approval was the approval which was being submitted. He clarified that it would take 65 days to review today's approval, which would be in October.

Board member Warner stated that it seemed like there were two different stages and inquired about whether the majority of this bond would go the pre-development construction of Block 4E with a much smaller portion going to Western Addition for pre-development only. She also referred to a discussion about submitting applications for the tax increment financing and inquired about whether that was applicable to both those projects or just MB and, if so, did that mean that Western Addition was not yet at the point of knowing what the full construction budgets were.

Ms. Colomello responded in the affirmative. She explained that the 4E project had the larger amount of this funding and was preparing to make its applications. She reported that this project was much further along with the budgets being in place. Ms. Colomello added that the smaller portion was for the Freedom West project.

PUBLIC COMMENT - None

Chair Ely asked for a motion to move Item 5A.

Board member Li motioned to move Item 5A and it was seconded by Board member Zamora.

Voice vote was taken for Item 5A.

Board member Iberri - yes
Board member Li - yes
Board member Warner - yes
Board member Zamora - yes
Vice-Chair Van Degna - yes
Chair Ely - yes

ADOPTION: IT WAS VOTED BY SIX BOARD MEMBERS THAT RESOLUTION NO. 04-2026, APPROVING, UNDER SECTIONS 34177.7(A)(1)(C), 34177.7(F) AND 34180(B) OF THE CALIFORNIA HEALTH AND SAFETY CODE, THE ISSUANCE OF NEW MONEY TAX ALLOCATION BONDS BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000, AND RELATED ACTIONS; REPLACEMENT HOUSING OBLIGATIONS, BE ADOPTED.

6. NEW MATTERS FOR FUTURE CONSIDERATION

There were no announcements from Board members.

Executive Director Kaslofsky stated that he had no announcements.

7. PUBLIC COMMENT ON NON-AGENDA ITEMS - None

8. ADJOURNMENT

Chair Ely asked for a motion to move Item 8.

Board member Zamora. motioned to move Item 8 and it was seconded by Board member Li.

The meeting was adjourned by Chair Ely at 11:30 a.m.

Respectfully submitted,


Jaimie Cruz
Board Secretary