Office of Community Investment and Infrastructure

Disclosure
Policy and Procedure

June 1, 2021

OCII

Overview

- OCII's debt portfolio (consisting of tax allocation, hotel tax and CFD bonds) is currently $922.0 million in aggregate principal amount.
- Issuances of municipal bonds are subject to federal securities law disclosure rules.
- According to GFOA and SEC, issuers should adopt disclosure policy and practices – inform staff, executives and governing bodies of obligations and the issuers' procedures.
- Current OCII references as its "policy" the disclosure portion of the CCSF Debt Policy, adopted September 14, 2011.
- Now OCII has its disclosure policy tailored to reflect its own practices and procedures.

Disclosure

"Disclosure" – information or statements to the market

- Primary Disclosure Documents
- Continuing Disclosure Documents
- Informal Disclosures

Preparation and Review Process

- Debt Manager: Point person
- Works with Disclosure Counsel, and appropriate staff, developers, advisors and bond counsel (Project Team) to obtain the necessary information and draft the disclosure document
- Project Team reviews the disclosure document for accuracy and sign-off
- DPWG and Executive Director review the disclosure document for accuracy and sign-off

Brief Overview of the Commission’s Disclosure Obligations

Disclosure Policy

responsive to federal securities disclosure laws

referred to as the
anti-fraud provisions

- Section 17(a) of the Securities Act of 1933
- Rule 10(b)(5) of the Securities Exchange Act of 1934

Anti-Fraud Provisions

Prohibit OCII from engaging in fraud or deceit in connection with the sale of any of its bonds

OCII's Disclosures:

- Must be true and accurate
- Must not contain material misstatements
- Must not omit material information

Purpose: ensure buyers/sellers in the market are able to make informed investment decisions

Non-Compliance

May result in one or more of the following:

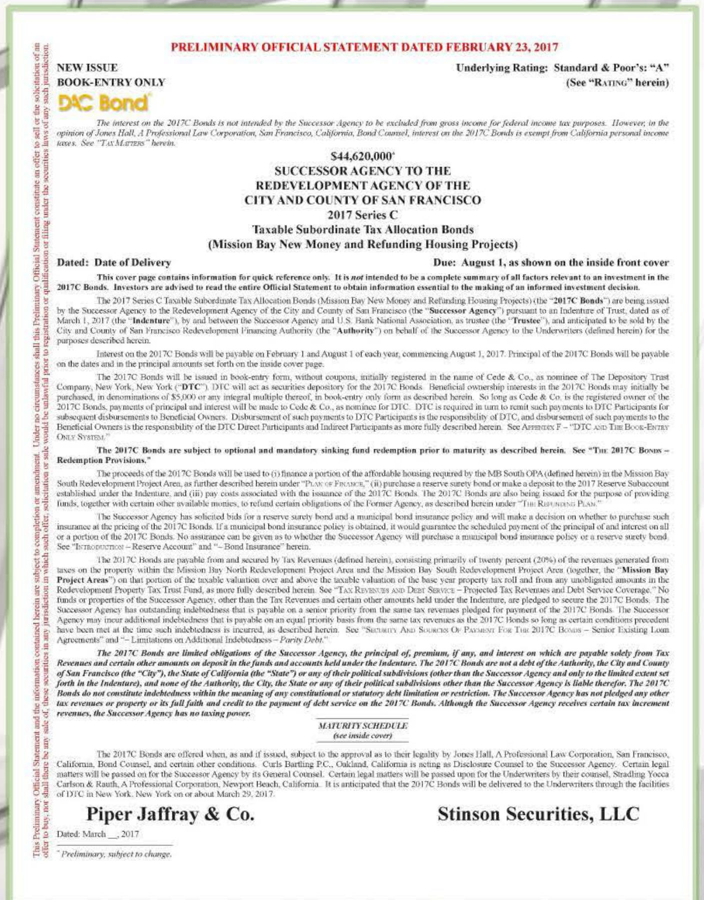
- investigations, lawsuits
- sanctions, penalties
- substantial defense costs

The Official Statement

Provides potential investors necessary information to make purchase decision:

- OCII and the bonds being sold
- Repayment of the bonds
- Risks

Disclosure policy sets out the process that OCII will follow to prepare the OS



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 23, 2017

NEW ISSUE | **Underlying Rating: Standard & Poor's: "A"**
BOOK-ENTRY ONLY | **(See "RATING" herein)**

DAC Bond

The interest on the 2017C Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the 2017C Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

$44,620,000*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2017 Series C
Taxable Subordinate Tax Allocation Bonds
(Mission Bay New Money and Refunding Housing Projects)

Dated: Date of Delivery | **Due: August 1, as shown on the inside front cover**

This cover page contains information for quick reference only. It is *not* intended to be a complete summary of all factors relevant to an investment in the 2017C Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects) (the "**2017C Bonds**") are being issued by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "**Successor Agency**") pursuant to an Indenture of Trust, dated as of March 1, 2017 (the "**Indenture**"), by and between the Successor Agency and U.S. Bank National Association, as trustee (the "**Trustee**"), and anticipated to be sold by the City and County of San Francisco Redevelopment Financing Authority (the "**Authority**") on behalf of the Successor Agency to the Underwriters (defined herein) for the purposes described herein.

Interest on the 2017C Bonds will be payable on February 1 and August 1 of each year, commencing August 1, 2017. Principal of the 2017C Bonds will be payable on the dates and in the principal amounts set forth on the inside cover page.

The 2017C Bonds will be issued in book-entry form, without coupons, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the 2017C Bonds. Beneficial ownership interests in the 2017C Bonds may initially be purchased, in denominations of $5,000 or any integral multiple thereof, in book-entry only form as described herein. So long as Cede & Co. is the registered owner of the 2017C Bonds, payments of principal and interest will be made to Cede & Co., as nominee for DTC. DTC is required in turn to remit such payments to DTC Participants for subsequent disbursements to Beneficial Owners. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Direct Participants and Indirect Participants as more fully described herein. See APPENDIX F – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The 2017C Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE 2017C BONDS – Redemption Provisions."

The proceeds of the 2017C Bonds will be used to (i) finance a portion of the affordable housing required by the MB South OPA (defined herein) in the Mission Bay South Redevelopment Project Area, as further described herein under "PLAN OF FINANCE," (ii) purchase a reserve surety bond or make a deposit to the 2017 Reserve Subaccount established under the Indenture, and (iii) pay costs associated with the issuance of the 2017C Bonds. The 2017C Bonds are also being issued for the purpose of providing funds, together with certain other available monies, to refund certain obligations of the Former Agency, as described herein under "THE REFUNDING PLAN."

The Successor Agency has solicited bids for a reserve surety bond and a municipal bond insurance policy and will make a decision on whether to purchase such insurance at the pricing of the 2017C Bonds. If a municipal bond insurance policy is obtained, it would guarantee the scheduled payment of the principal of and interest on all or a portion of the 2017C Bonds. No assurance can be given as to whether the Successor Agency will purchase a municipal bond insurance policy or a reserve surety bond. See "INTRODUCTION – Reserve Account" and "– Bond Insurance" herein.

The 2017C Bonds are payable from and secured by Tax Revenues (defined herein), consisting primarily of twenty percent (20%) of the revenues generated from taxes on the property within the Mission Bay North Redevelopment Project Area and the Mission Bay South Redevelopment Project Area (together, the "**Mission Bay Project Areas**") on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll and from any unobligated amounts in the Redevelopment Property Tax Trust Fund, as more fully described herein. See "TAX REVENUES AND DEBT SERVICE – Projected Tax Revenues and Debt Service Coverage." No funds or properties of the Successor Agency, other than the Tax Revenues and certain other amounts held under the Indenture, are pledged to secure the 2017C Bonds. The Successor Agency has outstanding indebtedness that is payable on a senior priority from the same tax revenues pledged for payment of the 2017C Bonds. The Successor Agency may incur additional indebtedness that is payable on an equal priority basis from the same tax revenues as the 2017C Bonds so long as certain conditions precedent have been met at the time such indebtedness is incurred, as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2017C BONDS – Senior Existing Loan Agreements" and "– Limitations on Additional Indebtedness – *Parity Debt*."

The 2017C Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Tax Revenues and certain other amounts on deposit in the funds and accounts held under the Indenture. The 2017C Bonds are not a debt of the Authority, the City and County of San Francisco (the "City"), the State of California (the "State") or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the Authority, the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The 2017C Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the 2017C Bonds. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.

MATURITY SCHEDULE
(see inside cover)

The 2017C Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Curls Bartling P.C., Oakland, California is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by its General Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the 2017C Bonds will be delivered to the Underwriters through the facilities of DTC in New York, New York on or about March 29, 2017.

Piper Jaffray & Co. | **Stinson Securities, LLC**

Dated: March __, 2017

* *Preliminary, subject to change.*

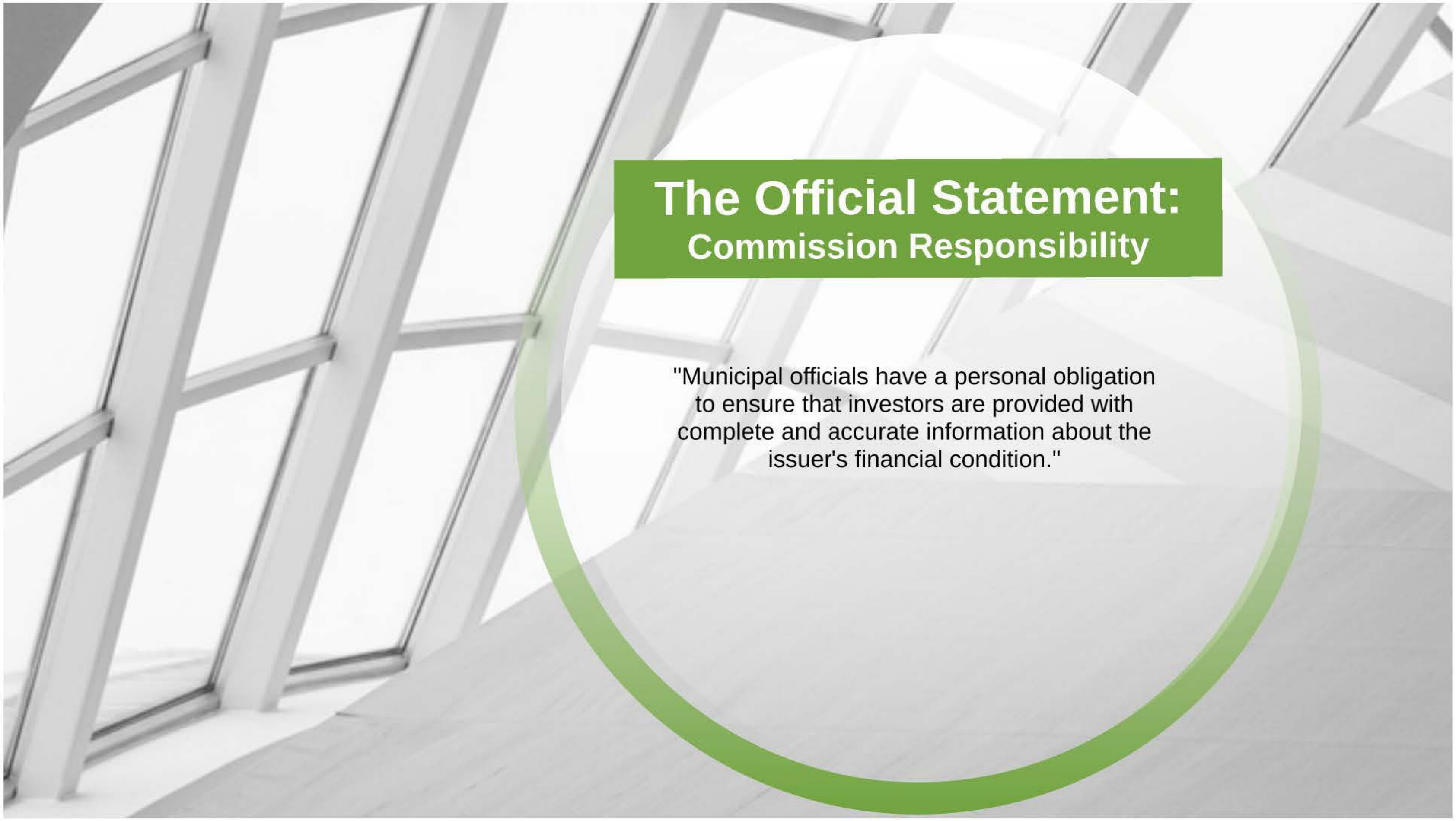
The Official Statement:
Commission Responsibility

provided the Official Statement in preliminary form

Commission is expected to give meaningful review.

- - Presumed to know material information about OCII and able to gauge accuracy and sufficiency of disclosure.

- - May rely on staff and consultants as long as reasonable.



The Official Statement:
Commission Responsibility

"Municipal officials have a personal obligation to ensure that investors are provided with complete and accurate information about the issuer's financial condition."

The Official Statement:
When Reviewing

Does it:

- Accurately inform market/potential investors of authorization and purpose for the bond
- Include and accurately describe factors that can materially or adversely impact the information described in the OS, especially the sources of repayment
- Contain all material information and not omit any

NOTE: Political sensitivities and confidentiality considerations are ***not*** exceptions to the disclosure obligation.

The Official Statement:
When Reviewing

Ask questions of the Executive Director or Deputy Director of Finance and Administration, and notify them if:

i) Things are inaccurate or appear to only tell part of the total story being conveyed
ii) Omits information regarding situations that could materially affect the financing or OCII

The Commission should not approve an OS for use if the information it contains:

1) Is false, inaccurate or misleading
2) Omits material information

Remember: Commission can reasonably rely on staff, administrators, counsel and external advisors, as long as they don't have reason to know something to the contrary.

Informal Disclosures

Be mindful of public statements, including social media: Commissioners are considered persons "in the know".

Considered sources of significant current information

TIPS:

- Public statements on financial matters should be balanced, measured and accurate.
- Provide "as of" dates for any post or document uploaded online, so it's clear when current (and when historical).
- Avoid hyperlinks - Be careful about endorsing or adopting information found at the hyperlink.
- Speeches, tweets and press releases can add to "total mix" of disclosure on which investors may rely.

Anti-fraud provisions apply:
- must be accurate
- no material omissions or misstatements

Next Steps

AB107 Affordable Housing Bonds - $130M

Time Period	Action
Summer 2021	Commission takes action on: • Underwriter Selection • Draft Bond Purchase Agreement • Draft Bond Indenture
Fall 2021	Commission takes action on: • Preliminary Official Statement • Draft Bond Purchase Agreement
Fall 2021	Bond Pricing and Closing

Questions and Comments

You are watching a Live meeting of the Commission on Community Investment and Infrastructure

PUBLIC COMMENT CALL-IN:

Dial: 1(415) 655-0001 **Access Code:** 187 328 3329

Press #, then press # again

- Press *3 to submit your request to speak
- Wait for your line to be unmuted
- You will have 3 minutes to provide a comment

OCII