



107-0152021-002

Agenda Item **No. 8(a)**
Meeting of August 17, 2021

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Sally Oerth, Interim Executive Director

SUBJECT: Annual Report of Funds Collected and Expended from Community Facilities Districts under the Mello-Roos Act for Fiscal Year 2019-20

The Mello-Roos Community Facilities Act, (Cal. Government Code Section 53311 et seq., (the "Mello-Roos Act") provides an alternative method of financing certain public capital facilities and services by allowing electors within a specific geographical area, or district, to levy a special tax on their real property. Tax revenues are then used to fund community facilities construction and/or maintenance activities, either outright or through the issuance of tax revenue bonds, which are repaid solely from the special taxes. Such a district is referred to as a Community Facilities District ("CFD").

The Office of Community Investment and Infrastructure ("OCII"), as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, administers six CFDs that annually receive and expend special taxes collected on real property in the CFDs:

- CFD #1 - South Beach District
- CFD #5– Mission Bay Maintenance District
- CFD #6– Mission Bay South Public Improvements District
- CFD #7– Hunters Point Phase 1 Improvements District
- CFD #8 – Hunters Point Phase 1 Maintenance District
- CFD #9– Hunters Point Shipyard Phase 2 / Candlestick Point Public Facilities and Services District

London N. Breed
MAYOR

Sally Oerth
INTERIM
EXECUTIVE DIRECTOR

Miguel Bustos
CHAIR

Mara Rosales
Bivett Brackett
Efrem Bycer
Dr. Carolyn Ransom-Scott
COMMISSIONERS

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

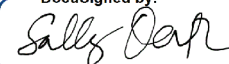
www.sfocii.org

The Redevelopment Agency of the City and County of San Francisco formed five of the CFDs listed above and OCII formed one of them, The formation of the CFDs was an exercise of state authority under the Mello-Roos Act. As a result, OCII's current administration of the CFDs is subject to the Mello-Roos Act and not to the Redevelopment

Dissolution Act. The Commission, as the policy making body of the CFDs, is required to receive certain information regarding administration of the CFD.

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165, which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency. Sections 50075.3 and 53411 of the Government Code require that the chief financial officer of the levying local agency provide a report once a year that contains: (1) the amount of funds collected and expended and (2) the status of any project required or authorized to be funded. The required information, as well as other contextual information, is included in the attached Special Tax and Bond Accountability Report (Senate Bill 165) for Fiscal Year 2019-20.

(Originated by Melissa Whitehouse, CFD Project Manager)

DocuSigned by:

336F9B4FE72748A...

Sally Oerth

Interim Executive Director

Attachment 1: Special Tax and Bond Accountability Report (Senate Bill 165) FY 2019-20



**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICTS**

**SPECIAL TAX AND BOND ACCOUNTABILITY REPORT
(SENATE BILL 165)**

FISCAL YEAR 2019-20

December 14, 2020

*Successor Agency of the Redevelopment Agency
of the City and County of San Francisco
Community Facilities Districts
Special Tax and Bond Accountability Report*

TABLE OF CONTENTS

<i><u>Section</u></i>	<i><u>Page</u></i>
I. Introduction.....	1
II. Senate Bill 165 Reporting Requirements.....	2
III. Authorized Facilities and Services	3
Appendix A – Special Taxes Levied and Expended	
Appendix B – Bonds Collected and Expended	

I. INTRODUCTION

On September 18, 2000, former Governor Gray Davis signed Senate Bill 165 which enacted the Local Agency Special Tax and Bond Accountability Act. In approving the bill, the Legislature declared that local agencies need to demonstrate to the voters that special taxes and bond proceeds are being spent on the facilities and services for which they were intended. To further this objective, the Legislature added Sections 50075.3 and 53411 to the California Government Code setting forth annual reporting requirements relative to special taxes collected and bonds issued by a local public agency.

The Successor Agency of the Redevelopment Agency of the City and County of San Francisco (“Successor Agency”) has levied special taxes in several community facilities districts (“CFDs”) in fiscal year 2019-20. Furthermore, the Successor Agency has issued a number of special tax bonds in connection with those CFDs in prior years. This report serves to satisfy the annual reporting requirements described above for the CFDs listed in the table below.

**Successor Agency of the Redevelopment Agency
of the City and County of San Francisco
Required SB 165 Reports for Community Facilities Districts
Fiscal Year 2019-20**

CFD Name	Report for GC §50075.3 Required	Report for GC §53411 Required
CFD No. 1 (South Beach)	Yes	No
CFD No. 5 (Mission Bay Maintenance District)	Yes	No
CFD No. 6 (Mission Bay South Public Improvements)	Yes	Yes
CFD No. 7 (Hunters Point Shipyard Phase One Improvements)	Yes	Yes
CFD No. 8 (Hunters Point Shipyard Phase One Maintenance)	Yes	No
Improvement Area No. 1 CFD No. 9 (HPS2/CP Public Facilities and Services)	Yes	No

II. SENATE BILL 165 REPORTING REQUIREMENTS

Pursuant to Sections 50075.3 and 53411, the chief fiscal officer of the public agency will, by January 1, 2002, and at least once a year thereafter, file a report with the governing body setting forth the following information.

Section 50075.3

Item (a): Identify the amount of special taxes that have been collected and expended.

See Tables in Appendix A for each CFD

Item (b): Identify the status of any project required or authorized to be funded by the special taxes.

See Tables in Appendix A for each CFD. The authorized facilities and/or services to be funded from special taxes are described in Section III of this Report for each CFD.

Section 53411

Item (a): Identify the amount of bonds that have been collected and expended.

See Tables in Appendix B for each CFD

Item (b): Identify the status of any project required or authorized to be funded from bond proceeds.

See Tables in Appendix B for each CFD

III. AUTHORIZED FACILITIES AND SERVICES

CFD No. 1 (South Beach)

Authorized Facilities

Proceeds of the Bonds were primarily used to finance a portion of the costs of acquiring public infrastructure improvements necessary for development of property within the CFD. The infrastructure authorized to be financed by the CFD is identified in the Resolution of Formation. Generally, the infrastructure authorized to be financed includes: streets, sidewalks, utilities, plazas, and a park, together with all auxiliary work deemed necessary and/or convenient for the completion of the facilities.

As of the date of this report, all bonds have matured and the facilities special tax is no longer levied for CFD No. 1.

Authorized Services

The services authorized to be funded by the CFD are identified in the Resolution of Formation. These services generally include ongoing operation and maintenance of (i) plantings, including trees, shrubs and ground covers, (ii) special surfaces, including pavers, turf blocks and textured concrete, (iii) plaza lighting, and (iv) special street furniture including bollards, benches, planters and seat wells. Maintenance will include, but not be limited to repair, replacement, and general custodial care of the improvements.

CFD No. 5 (Mission Bay Maintenance District)

Authorized Services

The services authorized to be funded by the CFD are identified in the Resolution of Formation. These services generally include ongoing operation, maintenance and repair of Open Space Parcels, as defined in the Mission Bay North Owner Participation Agreement, dated as of November 16, 1998 and the Mission Bay South Owner Participation Agreement, dated as of November 16, 1998 including but not limited to landscaping in public plazas, public parks within the North Plan Area and the South Plan Area and the portion of the Bayfront Park located on Port property adjacent to the South Plan Area, but excluding the UCSF Open Space.

CFD No. 6 (Mission Bay South Public Improvements)

Authorized Facilities

Proceeds of the Bonds and special tax revenues will primarily be used to finance a portion of the costs of acquiring public infrastructure improvements necessary for development and redevelopment of property within the CFD. FOCIL-MB will construct or manage the construction of the infrastructure. The infrastructure is identified in the Infrastructure Plan, which is Attachment D to the Mission Bay South Owner Participation Agreement, dated November 16, 1998, between the Agency and Catellus Development Corporation. Generally, however, the infrastructure includes: park improvements and restrooms; streets; rails and rail line bridges; sewer and storm drainage systems; water systems; street improvements (including freeway ramps); traffic signal systems; dry utilities; and any other improvements which are to be constructed in or for the benefit of the CFD. The following is the status of construction on CFD authorized projects:

Construction is complete on the following projects:

- Park P1
- North Common Street at Parks P16/17
- Third Street/16th Street Utility Project
- Blocks 41-43 Phase 1
- 16th and Owens
- Owens Street at Park P1 (Channel Street)
- 4th Street at UCSF north of 16th St. to Campus Lane
- Park P21 Landscape
- Park P8 Bank Stabilization
- Blocks 17, 20, 23
- Seventh Street Intersections (Seventh & 16th St. Intersection; Seventh & Mission Bay Drive)
- Third Street Corridor, (Third St. from MBBS to Channel St. and Channel from Third St. to Fourth St Bridge)
- Park P17
- Blocks 2-13 Phase 1, (Fourth St. from Channel St. to Campus Lane and Mission Rock, China Basin, MBBN and MBBS from Fourth St. to Third St. The sidewalk on Channel St. from Fourth St. to Third St, and Third St. from Channel St. to MBBS)
- Blocks 10/10A
- 16th & Vermont Street Intersection
- Blocks 2-13 Phase 1 shallow utilities
- 41-43 Phase 2 Infrastructure
- Blocks 26-28 (Phases 1, 2 and 3)
- Storm water Pump Station #6
- Park P18 and Park P16
- Storm water Pump Stations #4
- 66” Force Main

- Sanitary Pump Station on P15
- Mission Bay Drive & Circle Surcharge
- Mission Bay Drive & Circle
- Park P10
- Blocks 2-3 Vara, (public vehicular, pedestrian access and EVA access easements)
- Block 13 mews, (public pedestrian and EVA access easements)
- Long Bridge Phase I (from Fourth St. to Block 13 Mews)
- Long Bridge Phase II from Block 13 mews to China Basin
- Park P6
- Park P26
- SWPS #5
- Parks P23 & P24
- Park P5
- Park P11/11a (storm water treatment park)
- Blocks 11-12 Parking at Park P2
- 29-34 Phase I - 16th & Illinois Deep utilities – DOC
- Block 8-9/9a Phase I utilities – DOC
- Storm water Pump Station #1 – DOC
- 36-39, x3 phase I (Revised)- (Third St. south bound from 16th to Mariposa and deep utilities on 16th St. from Third to Seventh) – DOC
- 36-39, x3 Phase II and Phase III (including Block 25) – DOC
- 2-13 Blocks 5 & 6 (China Basin from Fourth St. to Long Bridge; Merrimac from MBBS to China Basin; MBBN & MBBS from Fourth St. to Merrimac) – DOC
- Block 40 Owens – DOC
- I-280 / Mariposa – DOC
- Blocks 8-9/9a Phase II – DOC
- Block 1 – DOC
- Blocks 2-13 Phase II, Blocks 11 & 12 – DOC
- Block 12 midblock walkway (public pedestrian and EVA access easements) – DOC
- Blocks 29-32 – DOC requested

Construction is underway on the following projects:

- Blocks 33-34 Phase II – anticipated completion Feb-21
- Park P3 – anticipated completion Feb-21
- Park P22 – anticipated completion Feb-22

Construction Projects that are anticipated to start within the next 12 months:

- Park P19 – anticipated to start Apr-21
- 5th Street & King Street Intersection – anticipated to start Sep-21
- Sanitary Sewer Pump Station Control Room at 540 Mission Bay Blvd North – anticipated to start Oct-21
- SWPS #3 – anticipated to start Oct-21

CFD No. 7 (Hunters Point Shipyard Phase One Improvements)**Authorized Facilities**

Proceeds of the Bonds and special tax revenues will primarily be used to finance a portion of the costs of acquiring public infrastructure improvements necessary for development of property within the CFD. The infrastructure authorized to be financed by the CFD is identified in the Resolution of Formation. Generally, the infrastructure authorized to be financed includes: roadway improvements, wastewater system improvements, water system improvements, drainage system improvements, parks and landscaping improvements, and retention improvements. The following is the status of construction on CFD authorized projects:

HILLTOP

<u>Improvement</u>	<u>Construction Status</u>
Planning and Design	Substantially complete
Evacuation and Grading	Substantially complete
Demolition	Complete
Special Conditions	Required throughout all construction
Erosion Control	Substantially complete
Sanitary Sewer	Complete
Water	Substantially complete
Storm Drains	Complete
Roadways	Road base complete; asphalt cover overlay partially complete, remainder dependent on vertical deliveries
Utilities	Substantially complete
Retaining Walls	Complete
Landscape and Parks	Partially complete

HILLSIDE

<u>Improvement</u>	<u>Construction Status</u>
Planning and Design	Hillside design revisions
Evacuation and Grading	Substantially complete
Demolition	Substantially complete
Special Conditions	Required throughout all construction
Erosion Control	Required throughout all construction
Sanitary Sewer	Installation began in 2020 with completion in 2021
Water	Partially installed with completion in 2021
Storm Drains	Completion in 2021
Roadways	Installation to begin in 2021
Utilities	Completion in 2021
Retaining Walls	Substantially complete
Landscape and Parks	Installation to begin in 2023

CFD No. 8 (Hunters Point Shipyard Phase One Maintenance)

Authorized Services

The services authorized to be funded by the CFD are identified in the Resolution of Formation. These services generally include operation and maintenance of parks, pocket parks, open space and streetscape elements (and related services). The parks, open space, and streetscape elements to be maintained include, but are not limited, to the following: streetscape elements, Hilltop open space and park elements, Hillside open space and park elements, and retaining walls.

Improvement Area No. 1 CFD No. 9 (HPS2/CP Public Facilities and Services)

Authorized Facilities

Proceeds of the Bonds and special tax revenues will primarily be used to finance a portion of the costs of acquiring public infrastructure improvements necessary for development of property within the CFD. The infrastructure authorized to be financed by the CFD is identified in the Resolution of Formation. Generally, the infrastructure authorized to be financed includes: acquisition of land for public improvements or relocation of existing uses for public housing, abatement, demolition, auxiliary water supply system, low pressure water, reclaimed water, storm drainage system, separated sanitary sewer, combined sanitary sewer, joint trench, earthwork, retaining walls, roadways, curb, and gutter, traffic and transit, streetscape, parks and open space, shoreline improvements, sea level rise adaptations, hazardous soil removal, and any other specifically identified facilities in the DDA or specified in an infrastructure plan for the project approved by the Successor Agency Commission or the Board of Supervisors of the City as a project cost or additional community facility.

As of the date of this report, no facilities special taxes have been levied and no bonds have been issued for Improvement Area No. 1.

Authorized Services

The Resolution of Formation also authorizes Improvement Area No. 1 to fund certain services within the CFD. These services include annual operation and maintenance of improvements constructed pursuant to the Parks and Open Space Plan (not including the CP State Recreation Area, except for overland stormwater infrastructure maintained by the City or the Successor Agency in the CP State Recreation Area) within the Project Site and any open space surface improvements on Yosemite Slough Bridge.

APPENDIX A

Special Taxes Levied and Expended

**Redevelopment Agency of the
City and County of San Francisco
Community Facilities District No. 1 (South Beach)**

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues

FY 2019-20 Special Tax Levied	\$182,112
Delinquent Amount as of 06/30/2020	(\$379)
FY 2019-20 Special Tax Collected	<u>\$181,734</u>

Fiscal Year 2019-20 Expenditures

Maintenance Costs and Reserves	\$158,692
Administrative Expenses	<u>\$23,420</u>
Total	\$182,112

Status of Project

Special tax revenues were used to: (i) pay for the costs of providing the authorized services, and (ii) pay for the costs of administering the CFD. Provision of the authorized services is ongoing.

Goodwin Consulting Group, Inc.

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 5
(Mission Bay Maintenance District)

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues	
FY 2019-20 Special Tax Levied	\$2,634,102
Delinquent Amount as of 06/30/2020	<u>(\$3,597)</u>
FY 2019-20 Special Tax Collected	\$2,630,506
Fiscal Year 2019-20 Expenditures	
Maintenance Costs and Reserves	\$2,276,339
Administrative Expenses	\$118,300
Contingency	<u>\$239,464</u>
Total	\$2,634,102
Status of Project	
Special tax revenues were used to: (i) pay for the costs of providing the authorized services, and (ii) pay for the costs of administering the CFD. Provision of the authorized services is ongoing.	

Goodwin Consulting Group, Inc.

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues

FY 2019-20 Special Tax Levied	\$10,739,521
Delinquent Amount as of 06/30/2020	(\$7,497)
FY 2019-20 Special Tax Collected	<u>\$10,732,023</u>

Fiscal Year 2019-20 Expenditures

Debt Service	\$8,757,711
Administrative Expenses	\$35,770
Pay-Go	<u>\$1,946,040</u>
Total	<u>\$10,739,521</u>

Status of Project

Special tax revenues were used to: (i) pay debt service on the outstanding CFD bonds, (ii) pay for the costs of administering the CFD, and (iii) pay directly for a portion of the costs of acquiring and/or constructing the authorized facilities. Acquisition and construction of the authorized facilities is ongoing.

Goodwin Consulting Group, Inc.

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues	
FY 2019-20 Special Tax Levied	\$2,657,558
Delinquent Amount as of 06/30/2020	(\$18,460)
FY 2019-20 Special Tax Collected	<u>\$2,639,098</u>
Fiscal Year 2019-20 Expenditures	
Debt Service	\$1,988,463
Administrative Expenses	\$29,280
Pay-Go	<u>\$639,816</u>
Total	<u>\$2,657,558</u>
Status of Project	
Special tax revenues were used to: (i) pay debt service on the outstanding CFD bonds, (ii) pay for the costs of administering the CFD, and (iii) pay directly for a portion of the costs of acquiring and/or constructing the authorized facilities. Acquisition and construction of the authorized facilities is ongoing.	

Goodwin Consulting Group, Inc.

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 8
(Hunters Point Shipyard Phase One Maintenance)

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues

FY 2019-20 Special Tax Levied	\$1,155,077
Delinquent Amount as of 06/30/2020	(\$7,359)
FY 2019-20 Special Tax Collected	<u>\$1,147,717</u>

Fiscal Year 2019-20 Expenditures

Maintenance Costs and Reserves	\$995,380
Administrative Expenses	\$54,690
Contingency	<u>\$105,007</u>
Total	<u>\$1,155,077</u>

Status of Project

Special tax revenues were used to: (i) pay for the costs of providing the authorized services, and (ii) pay for the costs of administering the CFD. Provision of the authorized services is ongoing.

Goodwin Consulting Group, Inc.

**Improvement Area No. 1 of the
Successor Agency to the Redevelopment Agency
of the City and County of San Francisco
Community Facilities District No. 9
(HPS2/CP Public Services)**

Special Taxes Levied and Expended
(As Required by CA Govt. Code Section 50075.3)

Fiscal Year 2019-20 Revenues	
FY 2019-20 Services Special Tax Levied	\$384,488
Delinquent Amount as of 06/30/2020	\$0
FY 2019-20 Services Special Tax Collected	\$384,488
Fiscal Year 2019-20 Expenditures	
Maintenance Costs and Reserves	\$374,258
Administrative Expenses	\$10,230
Total	\$384,488
Status of Project	
Special tax revenues were used to: (i) pay for the costs of providing the authorized services, and (ii) pay for the costs of administering the CFD. Provision of the authorized services is ongoing.	

Goodwin Consulting Group, Inc.

APPENDIX B

Bonds Collected and Expended

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)

Bonds Collected and Expended
(As Required by CA Govt. Code Section 53411)

Original Sources and Uses of Bond Proceeds			
Bonds:	Series 2005	Series 2013	
Date of Issuance:	7/26/2005	2/1/2013	
Sources:			
Principal Amount of the Bonds	\$20,868,938.75	\$123,011,256.00	
Underwriters' Discount	(\$138,779.18)	(\$961,948.02)	
Original Issue Premium	(\$59,941.20)	\$6,658,941.60	
Amounts relating to the Prior Bonds	\$0.00	\$12,322,679.67	
Total	\$20,670,218.37	\$141,030,929.25	
Uses:			
Bond Proceeds Account	\$17,831,332.19	\$0.00	
Project Supervision Account	\$600,000.00	\$0.00	
Reserve Fund	\$1,963,386.18	\$11,115,745.09	
Costs of Issuance	\$275,500.00	\$474,314.02	
Improvement Fund	\$0.00	\$37,101,582.64	
Refunding Fund	\$0.00	\$92,339,287.50	
Total	\$20,670,218.37	\$141,030,929.25	
Expenditures During Fiscal Year 2019-20			
Fund	Balance 7/1/2019	Balance 6/30/2020	Difference
<i>Series 2005 Bonds</i>			
Bond Proceeds Account	\$0.00	\$0.00	\$0.00
Project Supervision Account	\$0.00	\$0.00	\$0.00
Reserve Fund	\$2,033,262.36	\$2,043,649.91	\$10,387.55
Costs of Issuance	\$0.00	\$0.00	\$0.00
<i>Series 2013 Bonds</i>			
Reserve Fund	\$11,205,625.56	\$11,259,543.90	\$53,918.34
Costs of Issuance	\$0.00	\$0.00	\$0.00
Improvement Fund	\$0.00	\$0.00	\$0.00
Refunding Fund	\$0.00	\$0.00	\$0.00
Status of Project			
Bond proceeds were all spent in prior fiscal years to fund the costs of the authorized facilities. Special taxes are currently being used to fund the cost of authorized facilities. Acquisition and construction of the authorized facilities is ongoing.			

Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

Bonds Collected and Expended
(As Required by CA Govt. Code Section 53411)

Original Sources and Uses of Bond Proceeds

Bonds:	Series 2014
Date of Issuance:	7/17/2014
Sources:	
Principal Amount of the Bonds	\$36,445,000.00
Amount relating to the Prior Bonds	\$1,664,827.22
Original Issue Premium	\$1,156,186.60
Total	<u>\$39,266,013.82</u>
Uses:	
Escrow Account	\$34,591,930.68
Capitalized Interest Account	\$449,331.46
Reserve Fund	\$3,152,010.24
Project Fund	\$563,414.13
Underwriter's Discount	\$202,091.17
Costs of Issuance	<u>\$307,236.14</u>
Total	<u>\$39,266,013.82</u>

Expenditures During Fiscal Year 2019-20

Fund	Balance 7/1/2019	Balance 6/30/2020	Difference
<i>Series 2014 Bonds</i>			
Escrow Account	\$0.00	\$0.00	\$0.00
Capitalized Interest Account	\$0.00	\$0.00	\$0.00
Reserve Fund	\$3,242,080.17	\$3,166,620.37	(\$75,459.80)
Project Fund	\$749,285.48	\$1,726,848.80	\$977,563.32
Underwriter's Discount	\$0.00	\$0.00	\$0.00
Costs of Issuance	\$0.00	\$0.00	\$0.00

Status of Project

Bond proceeds and special taxes are being used to fund the costs of authorized facilities.
 Acquisition and construction of the authorized facilities is ongoing.