

# COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

## RESOLUTION NO. 21-2021

*Adopted June 1, 2021*

### APPROVING A MUNICIPAL FINANCE DISCLOSURE POLICIES AND PROCEDURES FOR THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

- WHEREAS, 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 (“OCII”), is implementing the Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, Cal. Health & Safety Code §§ 34170 et seq., which requires the wind down of the affairs of the Redevelopment Agency of the City and County of San Francisco (“Former Agency”) and the completion the Former Agency’s enforceable obligations (together the Community Redevelopment Law and Redevelopment Dissolution Law are referred to as the “Law”); and,
- WHEREAS, OCII is a separate legal entity from the City and County of San Francisco (“City”), Cal. Health & Safety Code § 34173 (g); San Francisco Ordinance No. 215-12 (Oct. 2012), but is subject to the governance of the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) acting in its legislative capacity; and,
- WHEREAS, The Board of Supervisors, acting as the legislative body of the Successor Agency, adopted Ordinance No. 215-12 (Oct. 4, 2012), which, among other matters, established the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“Commission” or “OCII”) and delegated to it the authority to take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that this Commission deems appropriate, consistent with the Redevelopment Dissolution Law, to comply with such obligations; and,
- WHEREAS, OCII issues debt for purposes permitted by the Redevelopment Dissolution Law or the Community Facilities Act (each defined below) and as of August 1, 2020, the date of the last principal payment, had a debt portfolio consisting of \$922.0 million in aggregate principal amount of tax allocation, hotel tax, and Mello-Roos (or community facilities district) bonds; and,
- WHEREAS, Municipal bonds and other municipal securities, while generally exempt from the registration requirements of federal and state securities laws, are subject to securities law disclosure rules, which are generally referred to as “antifraud rules;” and,

WHEREAS, According to the Government Finance Officers' Association, municipal issuers should adopt a disclosure policy, specific to the entity, to inform their staff, executive team and governing bodies of their disclosure obligations and of the issuers' related practices and procedures for the preparation and dissemination of disclosure documents and statements; and,

WHEREAS, OCII currently follows the disclosure portion of the Debt Policy of the City and County of San Francisco, last adopted September 14, 2011. Building from the City Disclosure Policy, OCII now seeks to adopt its own Municipal Finance Disclosure Policies and Procedures; and,

WHEREAS, The proposed Municipal Finance Disclosure Policies and Procedures, attached as Attachment A to this Resolution, describes, among other things, the processes that OCII will undertake in connection with its various disclosure obligations, the critical roles and responsibilities related to disclosure, the process for reviewing and approving primary, continuing, and voluntary disclosures, and the related administrative tasks such as training and whistleblower complaints; and,

WHEREAS, Approval of the Proposed Municipal Finance Disclosure Policies and Procedures is not a "project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5), since it is an administrative activity of government that will not result in direct or indirect physical changes in the environment, and therefore, is not subject to environmental review under CEQA; now therefore be it

RESOLVED, That the Commission approves the Proposed Municipal Finance Disclosure Policies and Procedures, attached to this Resolution as Attachment A, and furthermore authorizes the Executive Director to update the proposed policy to maintain consistency with regulatory changes and industry best practice.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of June 1, 2021.

  
\_\_\_\_\_  
Commission Secretary

Exhibit 1: OCII's Proposed Municipal Finance Disclosure Policies and Procedures

**EXHIBIT 1**

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY AND COUNTY OF SAN FRANCISCO  
*ALSO KNOWN AS*  
THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

**MUNICIPAL FINANCE DISCLOSURE POLICIES AND PROCEDURES**

Dated: June \_\_, 2021

TABLE OF CONTENTS

ARTICLE I – GENERAL..... 1  
    1.1. Background and Purpose. .... 1  
    1.2. Definitions..... 1  
    1.3. Definition of Disclosure Documents..... 3  
ARTICLE II – DISCLOSURE PRACTICE WORKING GROUP AND RESPONSIBILITIES OF CERTAIN  
    PARTIES ..... 4  
    2.1 Disclosure Practices Working Group..... 4  
    2.2 Debt Manager Disclosure Responsibilities ..... 5  
    2.3 Deputy Director of Finance and Administration’s Disclosure-Related Responsibilities ..... 7  
    2.4. Contributors and Obligated Parties. .... 7  
    2.5. Engagement of Disclosure Counsel ..... 8  
ARTICLE III – PRIMARY DISCLOSURE OVERVIEW AND REVIEW PROCESS..... 8  
    3.1 Overview..... 8  
    3.2. Preparation and Approval of the Official Statement..... 8  
    3.3 Supplements to Offering Documents ..... 10  
ARTICLE IV – CONTINUING DISCLOSURE OBLIGATIONS ..... 11  
    4.1. Overview..... 11  
    4.2 Annual Reports ..... 11  
    4.3 Significant Events ..... 12  
    4.4 Reporting the Occurrence of Significant Events..... 14  
    4.5. Voluntary Disclosure ..... 15  
    4.6. Other Types of Disclosure Documents. .... 15  
ARTICLE V – TRAINING ..... 16  
    5.1. Training Sessions. .... 16  
ARTICLE VI – DOCUMENT RETENTION POLICIES ..... 16  
    6.1. Primary Offerings – Offering Documents..... 16  
    6.2. Disclosure Documents other than Offering Documents ..... 17  
ARTICLE VII – STAFF INQUIRIES; CONFIDENTIAL SUBMISSIONS ..... 17  
ARTICLE VIII – MISCELLANEOUS..... 19  
    8.1 Periodic Review and Update of Financial Information Website ..... 19  
    8.2 Periodic Review and Update of Disclosure Policy ..... 19

EXHIBITS:

- A. Form of Request for Information from Contributors
- B. Form of Disclosure Transmittal by Contributor
- C. Disclosure Requirements Matrix
- D. Disclosure Document Approval Flowcharts

## **Article I**

### **General**

Section 1.1. Background and Purpose. As an issuer of municipal securities, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, also known as the Office of Community Investment and Infrastructure, (herein referred to as “OCII”), has an obligation under applicable federal and state securities laws to ensure that public disclosures of financial and operating data relating to its securities are accurate and not misleading. In addition, OCII is generally required to enter into continuing disclosure undertakings in connection with the issuance by it of bonds and other securities to assist underwriters thereof comply with their obligations under the Securities and Exchange Commission’s Rule 15c2-12 (“*Rule 15c2-12*”) and Rule 10(b)(5) (“*Rule 10b-5*”). These Rules task municipal issuers and officials with providing complete and accurate information and protecting against making untrue statements of material facts or omitting material facts that a reasonable investor would consider significant in the making of an informed investment decision.

The purpose of these OCII Municipal Finance Disclosure Policies and Procedures (this “*Disclosure Policy*”) is (i) to establish processes and controls to ensure that OCII’s disclosures related to its Obligations (defined herein below) are accurate and comply with all applicable federal and state securities laws and (ii) to promote best practices relating to the preparation of such disclosures.

***Any failure by OCII to comply with any provision of this Disclosure Policy shall not affect the authorization, validity or enforceability of any of its Obligations nor shall such failure to comply create any presumption that OCII’s disclosures are insufficient or inappropriate or do not otherwise comply with the requirements of the anti-fraud provisions of the federal securities laws.***

Section 1.2. Definitions. Unless otherwise defined in this document, words or phrases with initial capitalized letters used in this Disclosure Policy shall have the meanings set forth below:

“*Annual Report*” means the annual report filed with EMMA, which contains or incorporates by reference the information required by (i) Rule 15c2-12, as applicable, and (ii) each of OCII’s continuing disclosure certificates (“*CDCs*”) defined below.

“*CDC* ” means a continuing disclosure certificate of OCII, or a continuing disclosure agreement entered into between OCII and an underwriter of an issue of its Obligations, for the benefit of the underwriter(s), reflecting OCII’s commitment to provide certain financial and operations data on an ongoing basis and to otherwise to assist the underwriter(s) comply with Rule 15c2-12 in connection with such Obligations.

“*City*” means the City and County of San Francisco, California.

“*Commission*” means the Commission on Community Investment and Infrastructure

(a/k/a the Successor Agency Commission).

“*Contributor*” means a person identified by a member of the Disclosure Practice Working Group to be necessary for the preparation or review of a Disclosure Document as further described in Section 2.4(a).

“*Continuing Disclosure Documents*” has the meaning set forth in Section 1.3.

“*County*” means the City and County of San Francisco, California.

“*CUSIP*” means the separate CUSIP number assigned for each maturity of each issue of Obligations.

“*DAC*” means Digital Assurance Certification, LLP.

“*Debt Policy*” means OCII’s Debt Policy, as may be updated or supplemented from time to time.

“*Debt Manager*” means OCII’s Senior Financial Analyst or such other person so designated by the Executive Director who has the responsibilities assigned to the Debt Manager in Section 2.2 and the other provisions of this Disclosure Policy.

“*Disclosure Counsel*” means any law firm or law firms engaged by OCII to advise OCII with respect to its disclosure obligations relating to its Obligations under federal securities laws and the implementation of this Disclosure Policy. OCII may utilize more than one law firm at any time to provide advice and guidance relating to its disclosure obligations (e.g., different legal counsel on different bond transactions, or one counsel for legal support related to primary offerings and one for legal support relating to continuing disclosure obligations).

“*Disclosure Documents*” has the meaning set forth in Section 1.3.

“*Disclosure Policy*” means these Municipal Finance Disclosure Policies and Procedures, as the same may be supplemented and amended from time to time.

“*Disclosure Practices Working Group*” or “*DPWG*” means the Disclosure Practices Working Group described in Section 2.1 of this Disclosure Policy.

“*Dissemination Agent*” means the dissemination agent designated by OCII’s Executive Director, from time to time, to post OCII’s budgets, Financial Statements, Annual Reports and Significant Event Notices on EMMA and any other places as required for OCII to comply with its continuing disclosure obligations or as otherwise requested by OCII. The Dissemination Agent may be an employee of OCII or a third party. If a third party, such person or entity shall have on file with OCII in writing a document accepting this designation and responsibilities. DAC currently serves as OCII’s Dissemination Agent.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB.

“*Executive Director*” means OCII’s Executive Director.

“*Financial Report*” means OCII’s annual financial report.

“*General Counsel*” means OCII’s Deputy Director/Agency General Counsel.

“*MSRB*” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive filings pursuant to Rule 15c2-12 under the federal Securities Exchange Act of 1934, as the same may be amended and modified from time to time.

“*Obligated Party*” means any person who is either generally, or through an enterprise, fund or account of that person, committed by contract or other arrangement to support payment of all or part of any of the Obligations and thus required to provide ongoing disclosure.

“*Obligations*” means municipal securities issued by OCII, e.g., bonds or certificates of participation.

“*Offering Documents*” means official statements (in preliminary and final form), remarketing memoranda, private placement memoranda, and any other offering documents, together with any amendments or supplements thereto, prepared in connection with the issuance or remarketing of OCII’s Obligations.

“*Preparer*” has the meaning set forth in Section 4.6(b).

“*Primary Disclosure Documents*” has the meaning set forth in Section 1.3.

“*Records Retention Policy*” has the meaning set forth in Section 6.1.

“*SEC*” means the United States Securities and Exchange Commission, or any successor agency thereof.

“*Significant Events*” has the meaning set forth in Section 4.3.

“*Significant Event Notice*” has the meaning set forth in Section 4.4(a).

“*State*” means the State of California.

“*Transaction Working Group*” has the meaning set forth in Section 2.2(a)(i).

Section 1.3. Definition of Disclosure Documents. For purposes of this Disclosure Policy, the term “*Disclosure Documents*” shall mean: (i) “*Primary Disclosure Documents*,” which are documents and materials prepared or distributed by OCII relating to the issuance and sale of its Obligations, including Offering Documents; and (ii) “*Continuing Disclosure Documents*,” which are documents containing financial and operating data prepared by OCII in compliance

with its CDCs, including Annual Reports and Significant Event Notices.

Disclosure Documents also include voluntary disclosures and any other disclosure where OCII could reasonably be considered as “speaking to the market” as described in Section 4.6.

## **Article II**

### ***Disclosure Practices Working Group and Responsibilities of Certain Parties***

#### **Section 2.1 Disclosure Practices Working Group.**

a. Overview. To facilitate OCII’s compliance with this Disclosure Policy and its achievement of the purposes set forth in Section 1.1, a Disclosure Practices Working Group (“DPWG”) is hereby established. The purpose the DPWG is to collaborate on, and help facilitate, OCII’s disclosure activities in accordance with this Disclosure Policy.

b. Members. The members of the DPWG consist of (1) the Debt Manager, (2) the Deputy Director of Finance and Administration and (3) the General Counsel or his/her designee. OCII will engage Disclosure Counsel to serve as an advisor to OCII and the DPWG. In addition to being members of the DPWG, these members also have independent disclosure-related responsibilities on behalf of OCII as described herein.

c. Responsibilities. Generally, the DPWG is responsible for:

(i) Reviewing each Disclosure Document, in the manner described herein, to confirm that it is in accordance with this Disclosure Policy and that the appropriate OCII staff members have taken the appropriate steps to confirm that the contents of each such Disclosure Document are complete and accurate in all material respects and that such Disclosure Document does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, prior to such document being finalized and publicly released; and

(ii) Reviewing and evaluating, annually, the appropriateness of the procedures contained in this Disclosure Policy and proposing amendments, as appropriate, to address any OCII resource or operational change/need or to adopt new industry best practices. As appropriate, the DPWG, in consultation with Disclosure Counsel, shall also propose amendments to this Disclosure Policy as is necessary to be consistent with changes in federal and State securities laws, pronouncements of the SEC, and to address such other matters as the DPWG deems necessary or desirable; and

(iii) Determining if waiving any of the procedures set forth in this Disclosure Policy for a particular transaction or type of transaction is appropriate, such as where the DPWG determines that any such procedure is not practical or no longer necessary to confirm the accuracy and completeness of the related Disclosure Document(s).

d. Meetings. Any member of the DPWG, General Counsel or the Executive

Director of OCII may request a meeting of the DPWG to discuss any topic within the scope of this Disclosure Policy. If requested, the Debt Manager will endeavor to convene a meeting as soon as practicable. Additionally, the Debt Manager shall convene a meeting of the DPWG at least once a year, by no later than Oct. 15<sup>th</sup>, to review and evaluate the appropriateness of the procedures contained in this Disclosure Policy, to discuss the preparation of the Annual Reports relating to OCII's outstanding Obligations and to discuss any key timelines, disclosure items about which any members are aware and any other related topics. In addition to the DPWG members, DPWG meetings shall include Disclosure Counsel and may also include other individuals as deemed appropriate by the DPWG members.

Meetings of the DPWG are intended to be internal meetings of OCII staff and shall not be deemed to be public meetings for purposes of the Brown Act or Sunshine Ordinance.

Section 2.2 Debt Manager's Disclosure-Related Responsibilities. The Debt Manager shall be the point person and coordinator for the DPWG and shall facilitate all OCII disclosure activities and disclosure-related inquiries. As necessary, the Debt Manager shall consult with General Counsel and OCII's Disclosure Counsel for advice regarding OCII disclosure matters and inquiries. The Debt Manager's responsibilities in this regard shall include the following:

a. *In connection with any issuance of Obligations:*

(i) Work with the bond financing teams (i.e., bond counsel, fiscal and tax consultants, as applicable, underwriter(s), underwriter's counsel, municipal financial advisors, and relevant OCII staff), Disclosure Counsel for such issuance, and such other individuals (e.g. developers), as appropriate, for each financing (collectively, the "*Transaction Working Group*") to ensure that this Disclosure Policy is followed with respect to the preparation, review and/or dissemination of each Offering Document;

(ii) Help identify the appropriate Contributors, which may be staff of OCII or of a department or enterprise of the City or an external third party, with the requisite knowledge to provide current, relevant and accurate information for the Offering Document; and coordinate with such individuals for their preparation, where appropriate, and review of the applicable portions of the Offering Document, and any other related disclosures, by sending each such Contributor the information for which review is sought and a Request for Information from Contributors, in the form attached hereto as Exhibit A;

(iii) Confirm that the Offering Document has been provided to, reviewed and accurately updated/confirmed by the appropriate Contributor(s), including receipt from each such Contributor of the updated information and any supporting documentation and an executed Disclosure Transmittal by Contributor, in the form attached hereto as Exhibit B, which information the Debt Manager shall review and so indicate on each Disclosure Transmittal;

(iv) Review the Offering Document and confirm that all information in each section of the Offering Document is accurate; and

(v) Verify that all financial and operating information included in the

Offering Document, including any information concerning OCII's finances, including assessed valuations in the County, financial condition and any recognized obligation payment schedules, has been checked for accuracy against OCII's Financial Reports and/or other applicable financial reports, statements or budgets.

b. *Other Disclosure-Related Responsibilities:*

(i) Timely prepare, or confirm the preparation of, as applicable, the Annual Reports for each of the Obligations for which an Annual Report is required, coordinating with OCII's fiscal consultant(s) and any other disclosure consultants, as appropriate;

(ii) Review each Annual Report in accordance with Section 4.2 of this Disclosure Policy;

(iii) Ensure that the review and approval process for each Annual Report is undertaken in accordance with Section 4.2 and Exhibit D-2 of this Disclosure Policy;

(iv) Promptly alert members of the DPWG of any potential or actual Significant Events about which the Debt Manager receives notice or otherwise becomes aware and coordinate with Disclosure Counsel for the preparation of a notice relating to the Significant Event;

(v) Ensure that the review and approval of each notice of Significant Event is undertaken in accordance with Section 4.3 and Exhibit D-3 of this Disclosure Policy;

(vi) Timely submit the final versions of each Annual Report and each notice of Significant Event to the Dissemination Agent for filing on EMMA with all applicable CUSIPs; obtain, and maintain, verifications of all filings, and confirm accuracy and completeness of filings made by Dissemination Agent;

(vii) Retain all documentation as required by Article VI hereof and any other disclosure-related undertakings pursuant to the CDCs;

(viii) Consult with appropriate OCII staff to confirm that its Financial Information Website (defined herein) is accurate and current and contains primary and continuing disclosure filings or links thereto;

(ix) Organize disclosure trainings for OCII staff, Obligated Parties and the Commission, at least biannually, and maintain records of all such trainings;

(x) Serve as the disclosure point person for OCII staff and Obligated Parties and receive information from Coordinators or OCII staff that should or may need to be included in Disclosure Documents or that relates to a potential or actual Significant Event;

(xi) Coordinate DPWG reviews and meetings, including the information to be reviewed by the DPWG and any supporting documentation, as appropriate;

(xii) Recommend to the DPWG and coordinate the Commission's review of

and approval of any changes or revisions to this Disclosure Policy;

(xiii) Communicate with all Obligated Parties to remind them of their disclosure obligations. Confirm with the Dissemination Agent that the Obligated Parties are timely meeting their continuing disclosure obligations. Report to the DPWG any concerns related to any Obligated Party's failure to timely comply with those obligations, possible insufficiencies in their Disclosure Documents or the content therein. Retain a copy of each filing of any Obligated Party; and

(xiv) Track OCII's compliance with, and maintain documentation of OCII's compliance with, the requirements of this Disclosure Policy, including updates to the Disclosure Requirements Matrix in substantially the form attached as Exhibit C.

### Section 2.3 Deputy Director of Finance and Administration's Disclosure-Related Responsibilities.

The Deputy Director of Finance and Administration ("F&A") is responsible for:

(i) Review of all Offering Documents, Annual Reports and Significant Event Notices as well as any other Disclosure Documents, as appropriate, as described herein;

(ii) Oversight of the performance of the Debt Manager in connection with the activities described herein, including Section 2.2 above;

(iii) Participation in DPWG meetings and trainings; and

(iv) Serving as an additional or alternate point of contact for OCII Staff, Obligated Parties or any others who have OCII-disclosure inquiries or concerns, including as described in Article VII.

### Section 2.4. Contributors and Obligated Parties.

a. Contributors. Contributors are those individuals (typically OCII staff, such as project managers, but may also include third parties such as developers) who possess relevant knowledge of information needed to provide accurate disclosure. OCII shall require that Contributors who are third parties are contractually obligated to comply with applicable provisions of this Disclosure Policy, including providing the information described in this subsection. When contacted by the Debt Manager or another member of the DPWG, a Contributor shall promptly:

(i) Review the identified portion of the Disclosure Document for which their knowledge or expertise is sought;

(ii) Identify any revisions or other information that should be included in the Disclosure Document to make it accurate in all material respects;

(iii) Review any other portion of the Disclosure Document related to the portion described in Section 2.4(a)(i) and provide any additional comments; and

(iv) Provide all comments to the Debt Manager (or other requesting DPWG member) and, when the Disclosure Document is an Offering Document or an Annual Report, complete a Disclosure Transmittal by Contributor, in the form attached hereto as Exhibit B, all as further described in Sections 2.2(a)(ii) and 3.2.

b. Obligated Parties. Obligated Parties shall be required to provide all information required from them by the development documents or needed for the Disclosure Documents. Obligated Parties shall also be required to attend OCII disclosure trainings.

Section 2.5. Engagement of Disclosure Counsel. OCII shall engage one or more Disclosure Counsel, whose responsibilities may include, as requested by OCII, support in connection with its Primary Disclosure and/or its Continuing Disclosure reviewing and/or drafting, as described herein, all Disclosure Documents, participating in DPWG meetings, advising OCII on its disclosure obligations under current securities law, facilitating training workshops, responding to questions and inquiries of the other DPWG members, General Counsel and Executive Director and recommending changes or revisions to this Disclosure Policy, from time to time.

### **Article III** ***Primary Disclosure***

Section 3.1 Overview. When public agencies issue municipal securities (like the Obligations) to the public, federal securities laws require such public agencies to ensure that potential investors are provided with all material information they need to make an informed investment decision. The primary document used to provide this information is an Offering Document (e.g. the Official Statement), which provides information regarding the public agency (e.g. OCII), the terms of the Obligation, financial and operating data, security and sources of payment for the Obligation, risk factors and any other information likely to be of material interest to an investor.

Each time OCII issues municipal securities, it will prepare an Offering Document, most commonly in the form of an Official Statement. To facilitate the preparation of Offering Documents that contain all of the relevant information described above and that are complete and accurate in all material respects, OCII will follow the protocols described in Section 3.2.

#### Section 3.2. Preparation and Approval of the Official Statement.

a. The Debt Manager shall coordinate the preparation of, and facilitate the drafting of, the Official Statement for each issuance of Obligations, in collaboration with the Transaction Working Group, as described herein.

b. The Debt Manager is responsible for disseminating the draft Official Statement to the appropriate Contributors with clear requests for their review of the specifics for which their specific knowledge is sought, as well as their review of the entire document where possible as described in Section 2.2(a.)(ii) and (iii).

c. The Debt Manager, in consultation with Disclosure Counsel for the issuance, shall be responsible for (i) updating the Official Statement based on the information provided, and confirmed by OCII, the Transaction Working Group, and Contributors to be accurate and appropriate and (ii) ensuring that the Official Statement complies with applicable securities laws.

d. In connection with any public debt offering, OCII's disclosure document will be made available to the public/prospective investors in "preliminary" form (the "*Preliminary Official Statement*"). The Preliminary Official Statement will contain current financial and operating data of OCII, information describing the Obligations being issued and the project to be financed, except for pricing or pricing-dependent data relating to the Obligations. Before the Preliminary Official Statement can be released:

(i) The Debt Manager shall present to the Commission for its review and approval a substantially final draft of the Preliminary Official Statement, with such subsequent changes, modifications and updates as approved by the Executive Director, upon consultation with the General Counsel, Deputy Director of F&A, bond counsel for the Obligations and Disclosure Counsel for the issuance;

(ii) The Debt Manager, in consultation with Disclosure Counsel for the issuance, shall organize a due diligence meeting to review the Preliminary Official Statement, as determined to be appropriate by the Deputy Director of F&A, in consultation with the Executive Director, and the underwriters, as applicable;

(iii) Prior to the Preliminary Official Statement being released for posting/printing and dissemination to the public, the members of the Transaction Working Group, the DPWG, the Contributors, General Counsel and the Executive Director shall have "signed off" on the form of the Preliminary Official Statement by so indicating in an email or otherwise in writing; and

(iv) The Executive Director or the Deputy Director of F&A are required to execute a "Deemed Final" certificate relating to the Preliminary Official Statement pursuant to Rule 15c2-12, prior to its public dissemination. The Debt Manager will take steps to ensure that the Deputy Director of F&A has sufficient time to review the Preliminary Official Statement.

e. Following the pricing of the Obligations, the Debt Manager: (i) in consultation with Disclosure Counsel for the issuance, shall promptly update the Preliminary Official Statement to reflect the relevant pricing information and any other material information, as applicable (as updated, the "*Official Statement*") and circulate the Official Statement to the individuals listed in subparagraph (d)(iii) above for review; and (ii) shall confirm that there has been no change in the financial affairs or operations of OCII since the publishing/release of the Preliminary Official Statement.

f. Prior to the Official Statement being released for posting/printing and

dissemination to the public, the Transaction Working Group, the DPWG, the General Counsel and the Contributors shall have “signed off” on the Official Statement, by so indicating in an email or otherwise in writing, and the Executive Director shall have approved, the Official Statement.

The above procedures for reviewing and approving the Official Statement shall similarly apply to all Offering Documents and shall be as further outlined in the “Disclosure Document Approval Flowcharts: Offering Document Process” attached hereto in Exhibit D-2. At all times, OCII (i.e., the Debt Manager, the Deputy Director of F&A, as well as all Contributors, General Counsel and the Executive Director), in consultation with Disclosure Counsel for the issuance, shall review and provide comments on the Offering Documents (in each of its versions, preliminary and final) with the goal of ensuring that each Offering Document is complete and accurate in all material respects and does not contain any material misstatement or any omission of material fact.

Section 3.3 Supplements to Offering Documents. If any event should occur or a situation or circumstance changes which the DPWG determines may cause an Offering Document that has been released to the public to contain any material misstatement, or omit a material fact, that a reasonable investor would consider significant to the making of an informed investment decision with respect to an investment in the applicable securities covered by the Offering Document, OCII shall prepare and submit a Supplement to the Offering Document to the MSRB via EMMA as described below in (b).

a. The obligation to prepare a Supplement shall only apply if the event or situation occurred during any of the periods of time described below (and at any other times expressly agreed to with the underwriters for the applicable Obligations):

(i) between the release of the preliminary form of the Offering Document and the release of the final Offering Document; and

(ii) between the date of the release of the final Offering Document and twenty-five (25) days after the end of the applicable underwriting period (which is generally the date of delivery of the Obligations to which the Offering Document relates).

b. Upon determination by the DPWG that a supplement/amendment (the “*Supplement*”) is needed, the Debt Manager, in consultation with Disclosure Counsel for the issuance, will prepare, or cause to be prepared, an initial draft of the requisite Supplement, in coordination with any necessary Contributors to ensure the appropriate information is included in such Supplement. Once drafted, Disclosure Counsel for the issuance shall distribute the Supplement for review and comment to the Transaction Working Group, the DPWG, General Counsel and the Executive Director. Disclosure Counsel for the issuance shall make any revisions resulting therefrom and circulate to the same reviewers for signoff in the same manner described in Section 3.3(f) above for an Official Statement as well as to the Executive Director for approval. Once the Executive Director’s approval has been obtained and the Supplement finalized, the Debt Manager shall submit the Supplement to the Dissemination Agent for filing on EMMA.

## **Article IV**

### ***Continuing Disclosure Obligations***

Section 4.1. Overview. As required by Rule 15c2-12, for each publicly-offered debt issuance, each underwriter or purchaser of OCII's Obligations will require a written agreement (typically a CDC) by OCII to provide its most recent audited financial statements in the form of its Financial Report, Annual Reports and Significant Events Notices and to post such reports and notices electronically with the MSRB via EMMA ([www.emma.msrb.org](http://www.emma.msrb.org)). This continuing disclosure information is intended to keep holders of OCII's bonds and other Obligations updated on certain financial and operating information as well as the occurrence of Significant Events.

Section 4.2 Annual Reports. As more specifically set forth in each CDC, the Annual Report generally requires compilation by the submission of certain enumerated financial and operating information for the prior fiscal year. This information may vary between CDCs.

The preparation, approval and submission process for OCII's Annual Reports shall be as follows:

a. The Debt Manager, in consultation with OCII's external fiscal consultant(s), shall prepare, or cause to be prepared, each Annual Report and any requisite supporting data. The Debt Manager shall coordinate as appropriate with the requisite OCII staff and any other third parties to obtain the requisite updates and any other information necessary to satisfy the requirements of the applicable CDC for each Annual Report in a complete and accurate manner in all material respects.

b. By no later than three (3) weeks prior to their due date, the draft of each Annual Report shall be provided for review and comment to the DPWG and any other individuals identified by a member of DPWG as a requisite reviewer of such Annual Report, together with a copy of the related CDC. The Debt Manager shall track all comments received from the DPWG and the reviewers and revise, or cause to be revised, the Annual Report and any of the related data, accordingly.

c. The further revised draft of each of the Annual Reports shall be provided to the DPWG and to the Executive Director for final review and comment. Should the Deputy Director of F&A provide comments or edits to the draft Annual Report, the Debt Manager shall ensure that the Annual Report is revised consistent therewith and presented back to the Deputy Director of F&A for approval.

d. Upon receipt of approval for each Annual Report, as further described in the "Disclosure Document Approval Flowcharts: Continuing Disclosure - Annual Report Process," attached hereto in Exhibit D-2, the Debt Manager shall finalize the Annual Report and provide it to the Dissemination Agent for filing with EMMA in connection with all of the CUSIPs for the applicable Obligations.

e. The Debt Manager shall maintain a copy of each Annual Report and a copy of

the confirmation of its filing with EMMA with the applicable CUSIPs.

f. The Debt Manager shall also provide a copy of each Annual Report to the OCII staff responsible for the Financial Information Website for posting.

The Debt Manager, working together with the Dissemination Agent, shall ensure that the Annual Reports are filed on EMMA by no later than the due date set forth in the applicable CDC (*i.e.*, December 31<sup>st</sup> or March 30<sup>th</sup>, as applicable). To the extent that the Debt Manager anticipates that any such Annual Report may need to be filed late, the Debt Manager shall immediately confer with the other members of the DPWG and, as necessary, in consultation with Disclosure Counsel for continuing disclosure matters, prepare a Notice of Failure to Provide Annual Report, in the form attached to the applicable CDC, and provide to the Dissemination Agent for filing with EMMA by no later than the applicable Annual Report due date, with the applicable CUSIPs.

Section 4.3 Significant Events. OCII, as part of its obligations under its CDCs, is also required to provide notice of the occurrence of certain events (the “*Significant Events*”) relating to its Obligations that may be material to current or potential investors. OCII must give, or cause to be given, notice of these events in an electronic format with EMMA, not later than ten (10) business days after the occurrence of the event. “*Significant Events*” specifically refer to the following:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, *if material*;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the I.R.S. of proposed or final determinations of taxability, Notices of Proposed Issue, or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, *if material*;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, *if material*;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. Consummation of a merger, consolidation, or acquisition, acquisition involving OCII or the sale of all or substantially all of the assets of OCII, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;
14. Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;
15. Incurrence of a financial obligation of the obligated person, if material, or

agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of OCII, any of which affect security holders, *if material*; or

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation OCII, any of which reflect financial difficulties.

(a) For any events that require notification “*if material*,” “material” should be interpreted to mean a factor that a reasonable investor would consider significant to the making of an informed investment decision.

(b) With respect to event (13):

- (i) Such an event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for OCII, in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of said party, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of said party.

(c) With respect to events (15) and (16):

- (i) Rule 15c2-12 defines the term “*financial obligation*” to mean:

- (A) a Debt obligation;
- (B) a Derivative instrument entered in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (C) a Guarantee of (A) or (B) above.

The term “*financial obligation*” under Rule 15c2-12 does not include municipal securities for which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12. For purposes of this Disclosure Policy, “*financial obligation*” shall have the above meaning as ascribed to it in Rule 15c2-12 and any other applicable federal securities laws and guidance provided by the SEC in its Release No. 34-83885 dated August 20, 2018 (the “*2018 Release*”), any further amendments or written guidance provided by the SEC or its staff with respect to the amendments to the Rule effected by the 2018 Release.

- (ii) Financial obligations can take various forms. With respect to leases, a lease only constitutes a financial obligation if it operates as a vehicle to borrow money, i.e., where both (1) OCII is the lessee and (2) the lease rentals represent obligations (whether by OCII or the lessor) to repay money over time. All other leases, whether real property or

equipment, entered in the ordinary course of business shall not constitute financial obligations.

(iii) Commercial paper notes are financial obligations, but an event notice is only filed when a major legal document associated with the commercial paper note program is entered into, amended or extended. Major legal documents include any bank reimbursement agreement, any letter of credit, or any other notes credit facility. An event notice need not be filed when the outstanding amount of commercial paper increases or decreases, or the utilized or unutilized portion of a related credit facility changes, because notes are issued or repaid.

(iv) Any debt obligation, or guarantee of a debt obligation, that has an aggregate principal amount of \$1,500,000 or greater, shall be evaluated as potentially being material.

Section 4.4 Reporting the Occurrence of Significant Events. OCII staff must notify the Debt Manager if one becomes aware of any information that may constitute a Significant Event. Upon receipt of notification of a possible Significant Event or knowledge of a Significant Event, the Debt Manager shall contact the DPWG, General Counsel and Disclosure Counsel for continuing disclosure, as soon as possible, to discuss the Significant Event or the circumstances that may constitute a Significant Event for the purpose of determining if the filing of a notice is required pursuant to Rule 15c2-12 or otherwise desirable.

If it is determined that a Significant Event has occurred, then:

a. The Debt Manager shall produce or cause to be produced a draft notice of the Significant Event (a “*Significant Event Notice*”), in consultation with Disclosure Counsel for continuing disclosure, and circulate it for review, comment and approval to the other members of the DPWG, General Counsel and such other parties, if any, whose input it has been determined is necessary to ensure that the notice is complete and accurate in all material respects.

b. Upon receipt of the input and information from the reviewers identified above, the Debt Manager will coordinate with Disclosure Counsel for continuing disclosure to revise the notice so that it correctly reflects the Significant Event and the input received, and circulate the revised notice for the General Counsel’s and Executive Director’s final review and approval.

c. Upon receipt of the requisite approvals and signoffs, as further described in the “Disclosure Document Approval Flowcharts: Continuing Disclosure - Significant Events,” attached hereto in Exhibit D-3, Disclosure Counsel for continuing disclosure will finalize the notice and provide it to the Debt Manager for filing.

d. The Debt Manager shall provide the approved Significant Event Notice to the Dissemination Agent for filing with EMMA in connection with all of the CUSIPs for the applicable Obligations.

e. The Debt Manager shall maintain a copy of each such notice and a copy of the confirmation of its filing with EMMA with the applicable CUSIPs.

f. The Debt Manager shall provide a copy of each notice to OCII staff responsible

for the Financial Information Website for posting.

The Debt Manager, working together with Disclosure Counsel for continuing disclosure and the Dissemination Agent, shall endeavor to undertake the above steps immediately so that Significant Event Notices are timely filed (i.e. within ten (10) business days of the occurrence of the Significant Event).

Section 4.5. Voluntary Disclosure. OCII may choose to voluntarily disclose other information to investors, via the MSRB, that is not otherwise expressly required by its CDCs. This information may include, by way of example, but is not limited to, items such as monthly financial reports, updates on issues that could affect OCII's budgetary, financial or economic position, annual/biennial budgets, and changes in rating outlooks that OCII believes may be important communication to investors.

Such voluntary disclosure will be prepared in the same manner as a notice of a Significant Event (except that the ten (10) business day deadline would not apply) and will be subject to the same signoffs and approvals.

Section 4.6. Other Types of Disclosure Documents.

a. The anti-fraud provisions of the federal securities law and OCII's disclosure obligations described herein apply to any "statements" it makes that are reasonably expected to reach investors and the market. For OCII, in addition to Primary Disclosure Documents and the Continuing Disclosure Documents described above, such statements also include information on its website, including information to which OCII's website provides a hyperlink where it is, or could be interpreted as, endorsing or approving of the hyperlinked information, public reports given by OCII to other governmental entities, and statements, including press releases, given by OCII officials.

b. Determination of Disclosure Document. OCII staff may submit documents and communications to the DPWG for review and a determination of whether such document or communication should be treated as a Disclosure Document under this Disclosure Policy. This could include press releases, reports or website postings. Any OCII employee preparing (the "Preparer") information intended for release to the public for which DPWG's review pursuant hereto is sought should contact the Debt Manager to request a review by the DPWG. Once contacted by a Preparer, the DPWG shall review the submitted information to determine, in consultation with Disclosure Counsel for continuing disclosure and General Counsel, whether such document or other communication should be treated as a Disclosure Document and whether such document should be filed, as appropriate, with the MSRB (as provided in Section 4.4(f) and (g) above). If the DPWG determines that a document is a Disclosure Document, the Preparer shall inform the DPWG of the (i) expected completion date of the Disclosure Document and (ii) the expected dissemination date of the Disclosure Document. The DPWG shall be provided with a reasonable opportunity to review and provide comment on such Disclosure Document prior to its dissemination, including determining if any other approvals are required. A copy of all Disclosure Documents must be retained by the Debt Manager in accordance with Article VI.

For the avoidance of doubt, provided that OCII is in compliance with its CDCs, the term “Disclosure Document” is not generally intended to include routine press releases, website or social media postings, speeches, budget reports or other public pronouncements commonly issued by OCII or other municipal entities in the ordinary course of business, although certain statements made, or information contained, therein could make a particular release, posting, speech, pronouncement subject to this Policy.

## **Article V** ***Training***

### Section 5.1. Training Sessions.

a. All OCII Staff, third party Contributors and Obligated Parties with responsibility for or access to information, all or a portion of which may be material to the preparation of a Disclosure Document shall attend disclosure training sessions to be conducted no less than once every three (3) years. The Debt Manager shall coordinate with Disclosure Counsel for continuing disclosure to cause training materials to be distributed to all participants at the training. Such training materials shall include a copy of this Disclosure Policy, information on OCII’s disclosure obligations under applicable federal and state securities laws, responsibilities of the various parties and potential liability. Such training sessions may be conducted online by video, if available, or in person.

b. If there is a question as to whether a class of, or particular, employees should receive such training, the determination shall be made by the Executive Director, in consultation (as necessary) with the Deputy Director of F&A.

c. At the request of the DPWG, the Deputy Director of F&A or the Executive Director, the Debt Manager (in consultation with Disclosure Counsel for continuing disclosure) shall organize separate training sessions for Commission and Oversight Board members; provided however that such training should be undertaken no less than once every three (3) years.

d. The DPWG, led by Disclosure Counsel for continuing disclosure, shall discuss and develop training material for new developments under federal securities laws, or otherwise, with the objective of helping OCII maintain the best practices for undertaking its disclosure obligations.

## **Article VI** ***Document Retention Policies***

Section 6.1. Primary Offerings – Offering Documents. In connection with each of OCII’s sale of Obligations, the Debt Manager shall maintain an electronic transcript of relevant documents related to the financing for a time that shall not be less than the term during which any portion of the Obligations are outstanding, *plus* ten (10) years, starting from the date of delivery

of the Obligations. Each such transcript shall include, at a minimum:

- a. the printed copy of the preliminary (if any) and final Offering Document(s) relating to the Obligations;
- b. the “deemed final” certification executed by the Executive Director, the Deputy Director of F&A or such other then authorized OCII official, in accordance with paragraph (b)(1) of Rule 15c2-12;
- c. the related bond purchase agreement or official notice of sale and certificate of award, as applicable; and
- d. any and all written certifications or opinions executed by an OCII official or any other member of the Transaction Working Group relating to disclosure matters, delivered at the time of delivery of the Obligations.

Section 6.2. Disclosure Documents other than Offering Documents. For Disclosure Documents other than Offering Documents, the Debt Manager, on behalf of the DPWG, shall maintain a OCII central disclosure depository with the following materials, for a period of time that shall be no less than five (5) years from the date that the Disclosure Document was published, posted, or otherwise made publicly available and shall include:

- a. the final, published version of the Disclosure Document; and
- b. if the Disclosure Document is posted on EMMA, a copy of the receipt of filing generated by EMMA.

## **Article VII**

### ***Staff Inquiries; Confidential Submissions***

If any OCII staff has a disclosure-related question or concern, he/she may submit the concern, providing sufficient detail, to the Debt Manager. The Debt Manager shall review and record receipt of the concern and timely present it to the DPWG for review. The Debt Manager shall immediately bring to the attention of the DPWG and General Counsel any submitted concerns or questions that could have a material adverse impact on the finances or operations of OCII or could be considered material to a holder of any of OCII’s Obligations. If any OCII staff is uncomfortable with submitting to the Debt Manager or feels that the concern is ongoing, the submitter may escalate the matter to the Deputy Director of F&A or General Counsel.

If any OCII staff has disclosure-related questions or concerns that they would prefer to be treated anonymously, such person can submit the question or concern with sufficient detail to the City’s whistleblower program at <https://sfcontroller.org/how-file-complaint>, who will anonymize the submission before submitting it to the Debt Manager for review.

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**Article VIII**  
**Miscellaneous**

Section 8.1 Periodic Review and Update of Financial Information Website. The Debt Manager shall review OCII’s Financial Information Website, located at <https://sfocii.org/financial-information>, quarterly to confirm that it is current, including as to the following items:

<b>Item</b>	<b>Month Generally Updated</b>
Continuing Disclosure Annual Reports relating to its Tax Allocation Bonds	January
Reports, if any, relating to its CFDs pursuant to Cal. Gov. Code Section 53343.1 and 53343.2	February
Reports provided to State Controller’s Office pursuant to Cal. Gov. Code Section 12463.2 relating to its CFDs	February
Continuing Disclosure Annual Reports relating to CFD Bonds	April
Recognized Obligation Payment Schedule	April
Adopted Budget	August
Reports, if any, relating to its CFDs pursuant to Cal. Gov. Section 50075.3 of	September
Debt Table of Outstanding Obligations	September
Financial Report	November
Pension Valuation	November
CDIAC Filing pursuant to Cal. Gov. Code Section 53359.5 relating to its Community Facilities Districts (CFDs)	November

The Debt Manager shall request and confirm the posting or removal of information identified as necessary and appropriate as a result of such review.

Section 8.2 Periodic Review and Update of Disclosure Policy. The Debt Manager shall review OCII’s Disclosure Policy at least once a year to confirm it is up to date and shall maintain a written record that such review has been completed. The Debt Manager shall also review the Disclosure Policy, in consultation with Disclosure Counsel, consistent with changes in federal and state securities laws, pronouncements of the SEC and other matters the DPWG deems necessary or desirable, and coordinate with the DPWG for updates to the Disclosure Policy.

## **TABLE OF EXHIBITS**

- A. Form of Request for Information from Contributors
- B. Form of Disclosure Transmittal by Contributor
- C. Disclosure Requirements Matrix
- D. Disclosure Document Approval Flowcharts

## **Exhibit A**

### **Form of Request for Information from Contributors**

In connection with OCII's [{offering document name}] relating to the proposed issuance of {name of type of Obligation}] [Annual Report relating to the \_\_\_\_\_ Bonds], OCII is requesting information from you as {insert title} in order to ensure accurate and complete disclosure about OCII and its operations, including but not limited to, its financial and operating data. This information will be disseminated publicly to the investing public, including bondholders, rating agencies, municipal advisors and other members of the investment community.

Federal securities laws require that information disseminated by OCII be complete, accurate, and in no way misleading (both in terms of what the information says or fails to say). Please review and confirm the attached indicated information in its entirety, rather than simply updating that which has already been provided, to determine whether any material relevant changes have occurred or if any new or additional information should be included in order to make the information set forth in the attached not misleading and as complete and accurate as possible. While we specifically require your input to the indicated information, you are invited to read and provide comments to the entire document.

Please review carefully and critically the information you are reviewing and subsequently providing to be certain, to the best of your knowledge after reasonable inquiry of the appropriate persons or sources, that it is accurate, complete and not misleading. Please be certain that the source documentation is reliable and verifiable, should any future inquiry arise. Please provide a copy of all source documentation. Please describe any exceptions or other caveats to the information you are providing.

Please provide the requested information and results of your review updates by no later than [X date] to \_\_\_\_\_, Debt Manager via email. Please be sure to complete and attach the Disclosure Transmittal by Contributor form. Please advise of any subsequent changes to such information through [Y date].

If you have any questions regarding this request for information, please contact \_\_, at \_\_.

Thank you in advance for your prompt assistance and attention.

**Exhibit B**

**Form of Transmittal by Contributor to Debt Manager**

I have reviewed the portion of the Disclosure Document that is attached hereto and have provided the updates seen there.

I also confirm that the following individuals reviewed the disclosure[, as edited]: [list additional reviewers]]. [In addition, the attached disclosure was discussed at a meeting of \_\_\_\_\_ on [date].]

I have also attached copies of any materials that were a source for any portion of my review of this disclosure. In the event of any material change to the attached disclosure between the date of this letter and twenty-five (25) days after the scheduled delivery date for the bonds (X date), I shall promptly advise the Debt Manager.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachments

- reviewed disclosure
- source materials

***Received and Reviewed:***

\_\_\_\_\_  
**Debt Manager**

**Date:** \_\_\_\_\_

**Exhibit C**

**Disclosure Requirements Matrix**

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<b>Bonds</b>	
<b>Issue</b>	
<b>Issue Date</b>	
<b>Final Maturity Date</b>	
<b>Audited Financial Statement Requirements</b>	
<b>Annual Disclosure Report Requirements</b>	
<b>Annual Budget Requirements</b>	
<b>Document Source</b>	
<b>Recipient</b>	
<b>Due Date</b>	
<b>Transmittal Method</b>	
<b>Notes</b>	

**Exhibit D**

**Disclosure Document Approval Flowcharts**

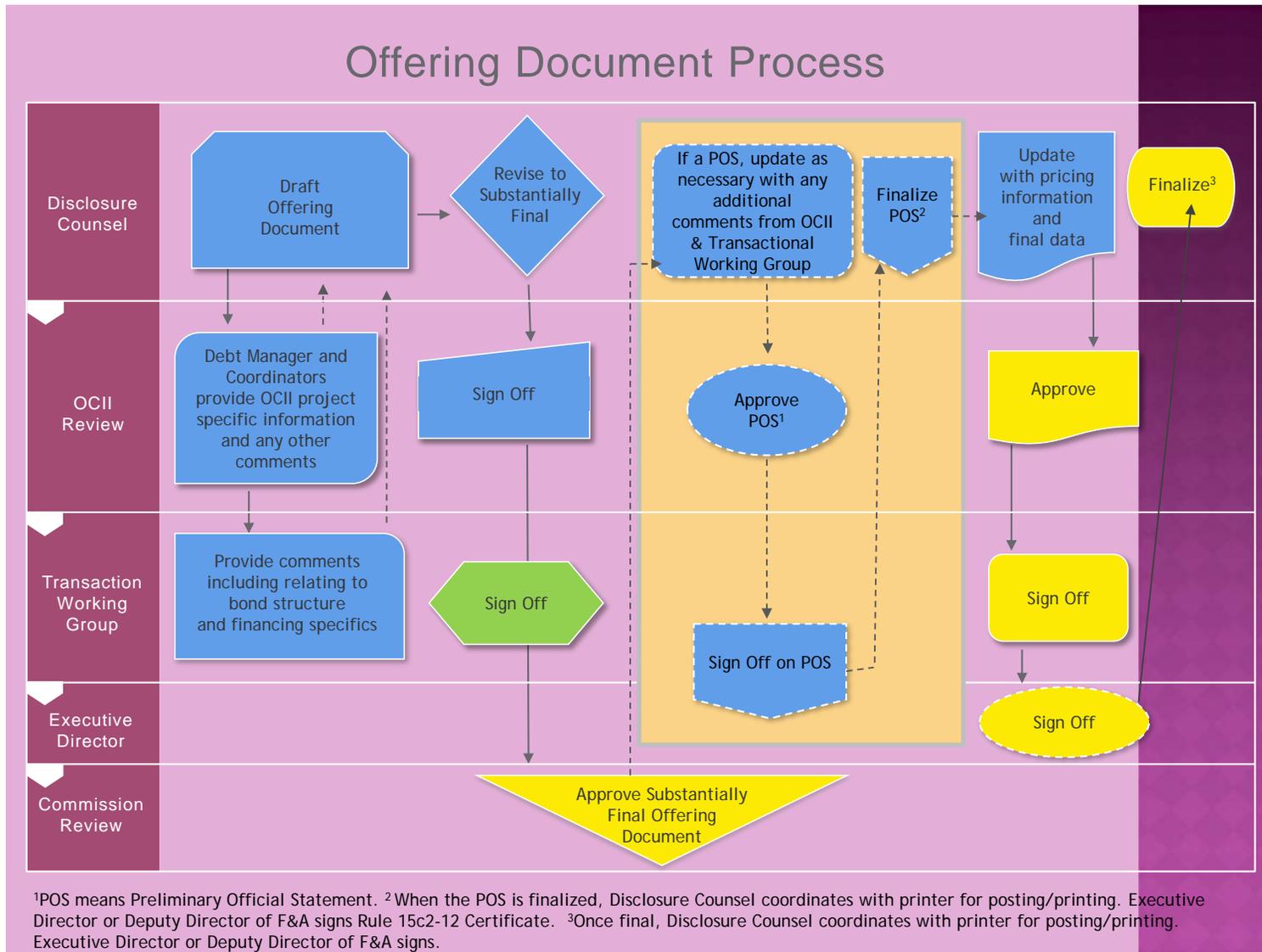
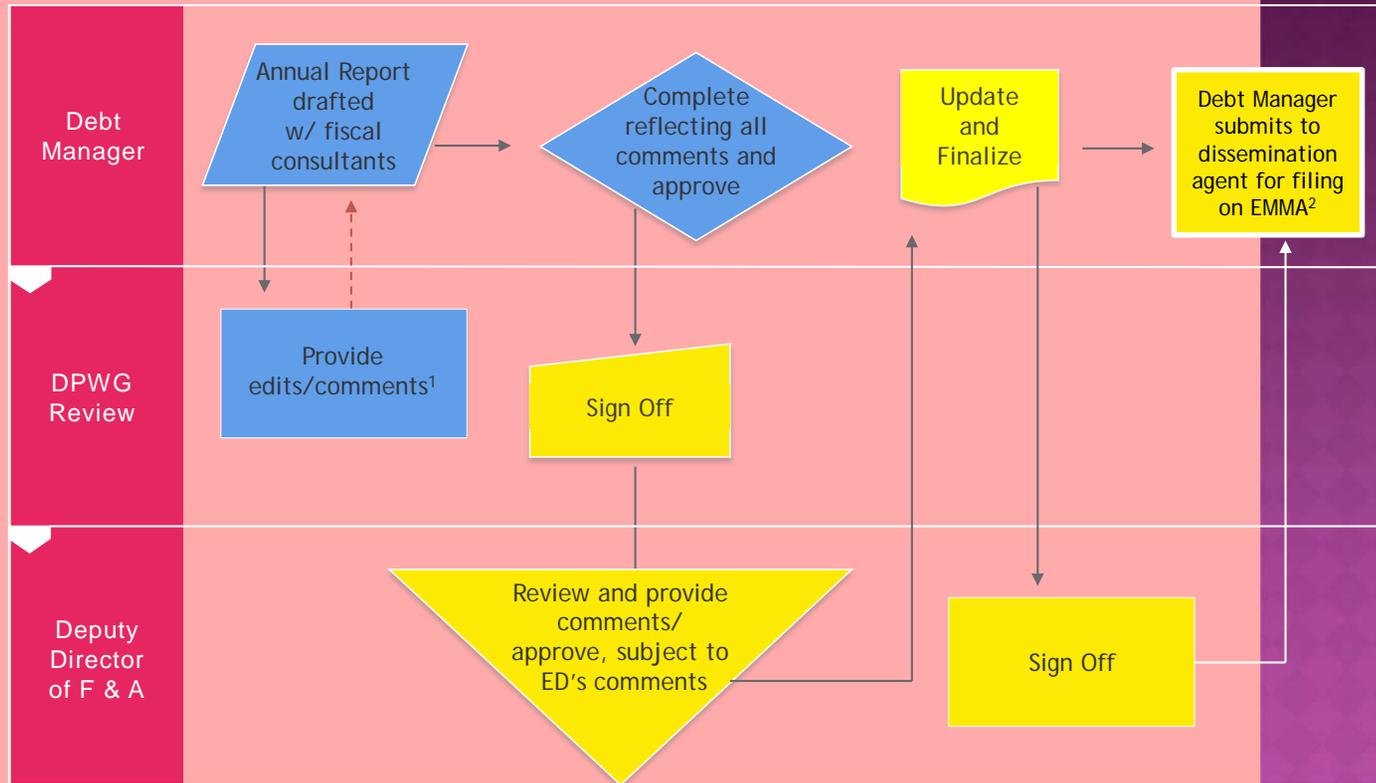


Exhibit D-1

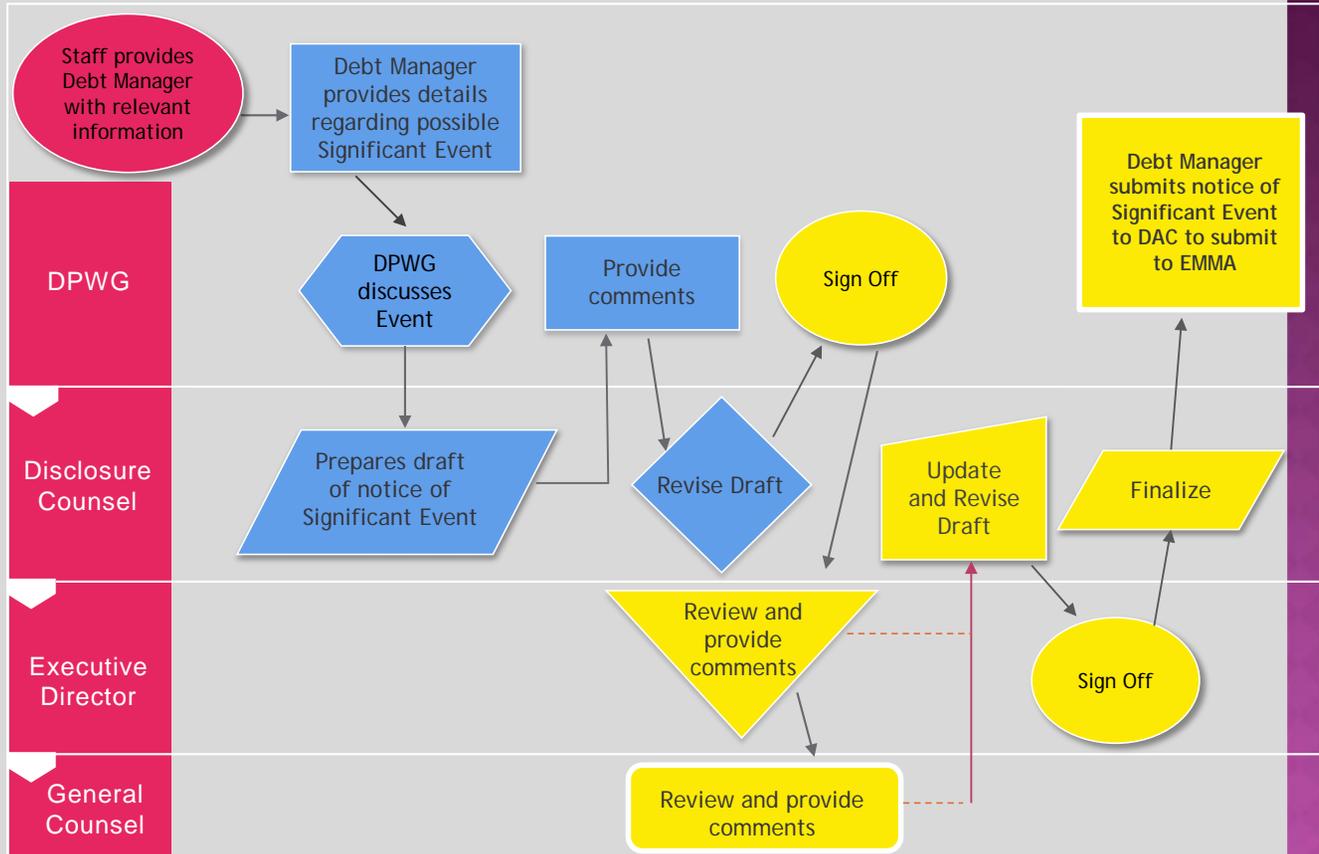
# Continuing Disclosure: Annual Report Process



<sup>1</sup> May also send to contributors for review as appropriate.

<sup>2</sup> Debt Manager will retain final copy and filing certification.

# Continuing Disclosure: Significant Events Process\*



\*OCII must submit (or cause to be submitted) the notice to EMMA not later than ten (10) business days after the occurrence of the Significant Event.  
The Debt Manager will retain a copy of each notice and filing certification.