

Report 6

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

Continuing Disclosure Annual Report

Pursuant to Continuing Disclosure Certificate dated March 11, 2014, relating to the below-referenced 2014 Bonds, the Continuing Disclosure Certificate dated April 21, 2016, relating to the below-referenced 2016B/C Bonds and the Continuing Disclosure Certificate dated September 20, 2016, relating to the below-referenced 2016D Bonds, we hereby submit this Continuing Disclosure Annual Report for fiscal year ended June 30, 2019, in connection with the Successor to the Redevelopment Agency to the City and County of San Francisco (“Successor Agency”), bonds listed below.

Bonds

1. \$56,245,000 Successor to the Redevelopment Agency to the City and County of San Francisco 2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project).
2. \$45,000,000 Successor to the Redevelopment Agency to the City and County of San Francisco 2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)
3. \$73,230,000 Successor to the Redevelopment Agency to the City and County of San Francisco 2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project).
4. \$73,651,825 Successor to the Redevelopment Agency to the City and County of San Francisco 2016 Series D **Subordinate** Tax Allocation Bonds (Mission Bay South Redevelopment Project).

The information provided below is submitted pursuant to Section 4 of the Continuing Disclosure Certificates for the Reporting Period ended June 30, 2019.

Section 4(a): Audited financial statements of the Successor Agency.

See the audited annual financial statement of the Successor Agency for FY 2018-19, which is attached hereto and incorporated herein by this reference.

Section 4(b): Additional required information.

- 1.) Assessed valuations, tax (increment) revenues and allocable tax revenues for the fiscal year to which this Annual Report pertains by means of an update to the “Property Taxable Values and Allocable Tax Revenues and Delinquency Rates” table.

See table in the *Continuing Disclosure Tables for the Mission Bay South Project Area* (“Rpt 6 Tables 2018-19”) attached hereto and incorporated herein by this reference.

- 2.) (i) Description of Parity Debt (date, amount, term, rating, insurance) issued in the fiscal year to which the Annual Report pertains and (ii) the amount of all debt outstanding

payable with tax increment revenue from the Project Area as of the end of the fiscal year to which the Annual Report pertains.

(i) **No Parity Debt was issued in the fiscal year ended 6/30/2019.**

(ii) **The 6/30/19 aggregate amount outstanding for the above-referenced bonds (specifically 2014A, 2016B and 2016C) is \$167,880,000. This includes the amount paid to the Trustee prior to 6/30/19 and held for the 8/1/19 debt service payment. The 6/30/19 aggregate principal amount outstanding for the 2016D Bonds referenced above is \$74,651,825. This includes the amount paid to the Trustee prior to 6/30/19 and held for the 8/1/2019 debt service payment. See also Table 4a, *Long Term Obligations*, in the Notes to the Basic Financial Statements for Fiscal Year 2019, Annual Financial Report for the Year Ended June 30, 2019, included with this Report.**

- 3.) An update of the estimated annual debt service coverage table for obligations of the Successor Agency for the Project Area for the fiscal year to which the Annual Report pertains.

See the debt service coverage table including both parity and subordinate bonds included in Rpt 6 Tables 2018-19.

- 4.) An update of the assessment appeals table for the fiscal year to which the Annual Report pertains, which includes assessment appeals of which the Successor Agency is aware, after reasonable inquiry of property holders in the Project Area, which if successful could reduce the tax increment in such Project Area.

See assessment appeals table in Rpt 6 Tables 2018-19.

- 5.) A list of the top ten property tax assessees, their taxable value, and percentage of total taxable value in the Project Area, also referred to as the top ten taxpayers by valuation, for the fiscal year to which the Annual Report pertains.

See "Ten Largest Property Owners" tables in Rpt 6 Tables 2018-19.

- 6.) **Item b(6)** of the Continuing Disclosure Certificate for the 2014A Bonds requires the most recent available tax rolls for the Project Area, including assessed valuation and allocable tax increment, provided that the information shall be provided in the form provided by the City Controller.

- 7.) **Item b(7)** of the Continuing Disclosure Certificate for the 2014A Bonds requires any action of the Oversight Board or Department of Finance that could impair the ability of the Successor Agency to pay debt service on the Bonds on a timely basis.

- 8.) Item b(6) of the Continuing Disclosure Certificate for the 2016B/C Bonds requires the two most recently submitted Recognized Obligation Payment Schedules.

See Rpt 6 Attachments A & B.

- 9.) Item b(4) of the Continuing Disclosure Certificate for the Series 2016D Bonds requires for the Annual Report for fiscal years 2015-16, 2016-17 and 2018-19, the most recent assessed valuations of the construction projects identified as "New Enrolled Valuation Expected FY2016-17" in the "New Construction and Sales in the Project Area, Completed and Substantially Completed" table as shown in Table 3 of the Private Placement Memorandum, replacing the valuations in the column labelled "Valuation on FY 2015-16 Rolls" with the valuations for the year reported and

replacing the valuations in the column labelled "Additional Valuation Not Yet Enrolled" with the difference between the original valuation reported in the "Estimated Full Valuation" column and that reported in the column of valuations for the year reported. *See Continuing Disclosure Tables for the Mission Bay South Project Area ("Rpt 6 Tables 2018-19," attached).*

**CONTINUING DISCLOSURE TABLES
FOR THE
MISSION BAY SOUTH PROJECT AREA**

REPORTING YEAR FY2018-19

**PREPARED FOR THE
SUCCESSOR AGENCY TO THE
SAN FRANCISCO REDEVELOPMENT AGENCY**

Property Taxable Values, Tax Revenues and Delinquency Rates
San Francisco Redevelopment Agency
Mission Bay South
(X 1,000)

Assessed Values (1):	2015-16	2016-17	2017-18	2018-19	2019-20 (Preliminary)
Existing Properties:					
Real Property	2,355,590	2,756,146	3,343,867	4,891,875	6,015,052
SBE Rolls	-	-	-	-	-
Total Secured Assessed Value	2,355,590	2,756,146	3,343,867	4,891,875	6,015,052
Unsecured Assessed Value	213,470	209,309	192,682	210,001	172,218
Total Assessed Value	2,569,060	2,965,455	3,536,549	5,101,876	6,187,270
Base Year Values:					
Secured	85,054	85,054	85,054	85,054	85,054
Unsecured	12,628	12,628	12,628	12,628	12,628
Increase Over Base Year Values:					
Secured	2,270,536	2,671,093	3,258,814	4,806,821	5,929,999
Unsecured	200,842	196,681	180,053	197,373	159,590
Tax Rates:					
Secured Tax Rate	0.010000	0.010000	0.010000	0.010000	0.010000
Unsecured Tax Rate	0.010000	0.010000	0.010000	0.010000	0.010000
Tax Increment Revenue (2):					
Secured Property	22,705	26,711	32,588	48,068	59,300
Unsecured Property	2,008	1,967	1,801	1,974	1,596
Gross Tax Increment Revenue	24,714	28,678	34,389	50,041.94	60,895.89
Less Allocable 20% Housing Set-Aside Revenue	4,943	5,736	6,878	10,008	12,179
Less AB1290 Passthrough Obligation (3)	-	-	-	-	-
Allocable 80% Tax Increment Revenue	19,771	22,942	27,511	40,034	48,717
Delinquency Rate (4)	0.0%	0.1%	0.0%	8.7%	N/A

(1) Assessed valuations shown are "full cash value" and exclude homeowner subventions.

(2) Revenue numbers equal the tax rate times the increase over base year value and do not necessarily equal amounts collected.

(3) No amount deducted to compute Allocable Tax Revenues, since AB1290 payments for this Project Area have been subordinated to the Loan Agreement and to Parity Prior Loan Agreements for this Project Area.

(4) The City currently advances 100% of Tax Revenues to the Agency notwithstanding the occurrence of delinquencies. Delinquency rates shown are calculated based on the delinquencies remaining as of the September or October following the close of the fiscal year; FY 2018-19 rate is as of May 1, 2019. Payments made subsequently are not reflected in the rates.

Source: City and County of San Francisco; Urban Analytics.

Ten Largest Property Owners By Valuation, 2018-19
San Francisco Redevelopment Agency
Mission Bay South

Property Owner	Assessed Value	Pct of Total Assessed Value	Land Use
GSW ARENA LLC	728,401,871	14.3%	Sports complex
ALEXANDRIA REAL ESTATE SF	657,255,281	12.9%	Office
KR MISSION BAY LLC	558,150,177	10.9%	Office
ESSEX PORTFOLIO	296,369,199	5.8%	Multi-unit residential
DCO MISSION BAY LP	219,168,522	4.3%	Apartments and retail
EQR MISSION BAY BLOCK 13 LP	217,726,040	4.3%	Multi-unit residential
HINES GLOBAL REIT 550 TERRY FR	194,807,075	3.8%	Office
UBER TECHNOLOGOGIES INC	175,226,900	3.4%	Vacant commercial
SOBRATO INTERESTS 3	153,595,051	3.0%	Office
ECOP TOWER I OWNER LLC	103,066,223	2.0%	Office
Total, Ten Largest:	3,303,766,339	64.8%	
All Other	1,798,109,599	35.2%	
Total for the Area:	5,101,875,938	100.0%	
<i>Ten Largest as Pct of Incremental AV:</i>		<i>66.0%</i>	

Source: County Assessor; Urban Analytics

Ten Largest Property Owners By Valuation, 2019-20 (Preliminary)
San Francisco Redevelopment Agency
Mission Bay South

Property Owner	Assessed Value	Pct of Total Assessed Value	Land Use
GSW ARENA LLC * (2: 2019-20)	1,093,259,361	17.7%	Sports complex
KR MISSION BAY LLC * (1: 2019-20)	789,225,180	12.8%	Office
ALEXANDRIA REAL ESTATE SF	597,011,439	9.6%	Office
UBER TECHNOLOGIES INC	458,883,158	7.4%	Vacant commercial
ESSEX PORTFOLIO	245,501,388	4.0%	Multi-unit residential
ECOP TOWER I OWNER LLC * (1: 2019-20)	234,610,932	3.8%	Office
DCO MISSION BAY LP	223,547,206	3.6%	Apartments and retail
MB 550 TFB LLC	198,703,215	3.2%	Office
EQR MISSION BAY BLOCK 13 LP	192,398,014	3.1%	Multi-unit residential
ECOP TOWER II OWNER LLC	185,936,138	3.0%	Office
Total, Ten Largest:	4,219,076,031	68.2%	
All Other	1,968,194,433	31.8%	
Total for the Area:	6,187,270,464	100.0%	
<i>Ten Largest as Pct of Incremental AV:</i>		<i>69.3%</i>	

* Owner has the indicated number of appeals pending in the years shown.

Source: County Assessor; Urban Analytics

Estimated Annual Debt Service Coverage by Project Area
San Francisco Redevelopment Agency
Mission Bay South (Senior and Subordinate Non-Housing)

Fiscal Year Ending June 30	Total Senior Debt Service (1)	Allocable Project Area Tax Revenue (2)	Senior Debt Service Coverage Ratio	Total Subordinate Debt Service (3)	Revenue Available for Subordinate Debt Service (4)	Subordinate Debt Service Coverage Ratio
2019	11,911,900	40,033,552	3.36	5,480,000	16,822,962	3.07
2020	11,911,750	48,716,708	4.09	5,830,000	22,746,609	3.90
2021	11,912,000	48,716,708	4.09	5,665,000	22,493,320	3.97
2022	11,908,000	48,716,708	4.09	5,738,820	22,497,320	3.92
2023	11,909,500	48,716,708	4.09	5,500,000	22,495,820	4.09
2024	11,910,750	48,716,708	4.09	5,462,280	22,494,570	4.12
2025	11,911,250	48,716,708	4.09	5,724,840	22,494,070	3.93
2026	11,910,500	48,716,708	4.09	5,500,000	22,494,820	4.09
2027	11,908,000	48,716,708	4.09	5,773,320	22,497,320	3.90
2028	11,908,250	48,716,708	4.09	5,625,425	22,497,070	4.00
2029	11,910,500	48,716,708	4.09	5,448,960	22,494,820	4.13
2030	11,909,000	48,716,708	4.09	5,717,820	22,496,320	3.93
2031	11,908,250	48,716,708	4.09	5,500,000	22,497,070	4.09
2032	11,907,500	48,716,708	4.09	5,808,600	22,497,820	3.87
2033	11,911,000	48,716,708	4.09	5,797,565	22,494,320	3.88
2034	11,907,750	48,716,708	4.09	5,770,440	22,497,570	3.90
2035	11,907,250	48,716,708	4.09	5,725,770	22,498,070	3.93
2036	11,908,500	48,716,708	4.09	5,661,760	22,496,820	3.97
2037	11,910,500	48,716,708	4.09	5,576,625	22,494,820	4.03
2038	11,907,250	48,716,708	4.09	5,468,330	22,498,070	4.11
2039	11,908,000	48,716,708	4.09	5,745,180	22,497,320	3.92
2040	11,911,500	48,716,708	4.09	5,604,885	22,493,820	4.01
2041	11,911,500	48,716,708	4.09	5,435,700	22,493,820	4.14
2042	11,907,000	48,716,708	4.09	5,710,860	22,498,320	3.94
2043	11,907,000	48,716,708	4.09	5,500,000	22,498,320	4.09
	297,734,400	1,209,234,555		140,772,180	556,981,190	

(1) Reflects 2014A, 2016B and 2016C bonds.

(2) Tax Revenues available for parity debt service, based on Fiscal Years

(3) Reflects 2016D Subordinate bonds.

(4) Tax Revenues available for subordinate debt service includes new construction and sales, less passthroughs and housing set-aside.

Source: Redevelopment Agency of the City and County of San Francisco as to Debt Service; Urban Analytics as to Allocable Tax Revenues.

Assessment Appeals in the Mission Bay South Project Area

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate **
2019-20	Resolved	1	6,135,801	3,068,000	6,135,801	-
2019-20	Pending	7	2,247,347,956	1,462,108,124	TBD	TBD
2018-19	Resolved	7	528,149,146	431,092,000	528,149,146	100.0%
2018-19	Pending	-	-	-	-	-
2017-18	Resolved	11	488,604,311	348,262,000	488,604,311	100.0%
2017-18	Pending	-	-	-	-	-
2016-17	Resolved	17	604,175,767	317,612,967	604,071,793	100.0%
2016-17	Pending	-	-	-	-	-
2015-16	Resolved	10	630,296,871	317,892,868	630,296,871	100.0%
2015-16	Pending	-	-	-	-	-
2014-15	Resolved	6	539,765,609	319,529,715	539,765,609	100.0%
2014-15	Pending	-	-	-	-	-
2013-14	Resolved	14	531,579,315	343,914,442	531,579,315	100.0%
2013-14	Pending	-	-	-	-	-
All Years	Resolved	66	3,328,706,820	2,081,371,992	3,328,602,846	100.0%
All Years	Pending	7	2,247,347,956	1,462,108,124	TBD	TBD

Potential exposure to reductions in valuation from pending appeals using retention rate: 70,197

* Appeal filings for the current fiscal year are preliminary and subject to change.

** Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the 'County Valuation'. For withdrawn and denied appeals the valuation after appeal is the original county valuation.

Source: San Francisco County Assessment Appeals Board. Data as of 10/25/2019.

[Disclosure Per 2016D Subordinate Tax Allocation Bonds]
 New Construction in the Mission Bay South Project Area, Completed and Substantially Completed, FY 2018-19

Project	Mission Bay Block Number	Type	Units, Rooms or Square Footage	Estimated Assessed Valuation Per Unit *	Estimated Full Valuation *	Valuation on FY 2018-19 Rolls	Additional Valuation Not Yet Enrolled *
<i>New Enrolled Valuation Expected FY 2016-17</i>							
Essex MB360 (1200 4th Street)	5	Rental	172	715,411	123,050,693	148,933,395	-
Essex MB360 (701 China Basin)	11	Rental	188	537,663	101,080,693	147,435,804	-
Bosa Arden (718 Long Bridge Street) **	12E	Condo	267	1,000,000	267,000,000	397,902,752	-
Subtotal					\$ 491,131,386	\$ 694,271,951	\$ -
<i>New Enrolled Valuation Expected FY 2017-18</i>							
UDR (1850 Channel Street)	2	Rental	315	\$ 450,000	\$ 141,750,000	\$ 219,168,522	\$ -
Summerhill Venue (1201 4th Street)	3W	Rental	147	450,000	66,150,000	100,275,152	-
Bosa Arden (718 Long Bridge Street) **	12E	Condo	267	1,000,000	267,000,000	397,902,752	-
EQR Azure (690 Long Bridge Street)	13W	Rental	273	686,410	187,389,930	217,726,040	-
Kaiser (1600 Owens) ***	41-43 4	Office	208,844	600	125,306,400	10,450,115	114,856,285
ARE/Uber Property Sale	26-27	Land	(NA)	(NA)	125,000,000	272,420,929	-
Kilroy Property Sale	40	Land	(NA)	(NA)	95,000,000	-	95,000,000
Strada Property Sale	6, 7	Land	(NA)	(NA)	70,000,000	315,221,565	-
Subtotal					\$ 1,077,596,330	\$ 1,533,165,075	\$ 209,856,285
Total					\$ 1,568,727,716	\$ 2,227,437,026	\$ 209,856,285

* Expressed in current dollars.

** Construction valuation added in 2016-17, 1/2 condo sales enrolled in 2017-18 and 2018-19

*** Roll value reflects an exemption of \$245,374,646 for this hospital property.

Notes: Per-unit valuation for rental properties based on actual costs reported in 10-Q filings or are estimated based on valuations for similar completed properties in the Project Area.

Per-unit valuation for condos estimated based on a review of current asking prices for condos in Mission Bay.

Per-room valuation for hotel estimated based on the valuation of the W hotel.

Per-square-foot valuation for office based on the valuation of completed office properties in Mission Bay.

Estimated full valuation of property sales is the amount of the transaction.

Estimate of full enrollment year based on site visit conducted 2/5/2016.

Source: Building name, type and size per MBDG; sales price and date per corporate 10-Q filings; valuation estimates per Urban Analytics.

[Disclosure Per 2016D Subordinate Tax Allocation Bonds]
 New Construction in the Mission Bay South Project Area, Completed and Substantially Completed, FY 2019-20

Project	Mission Bay Block Number	Type	Units, Rooms or Square Footage	Estimated Assessed Valuation Per Unit *	Estimated Full Valuation *	Valuation on FY 2019-20 Rolls	Additional Valuation Not Yet Enrolled *
<i>New Enrolled Valuation Expected FY 2016-17</i>							
Essex MB360 (1200 4th Street)	5	Rental	172	715,411	123,050,693	122,708,276	342,417
Essex MB360 (701 China Basin)	11	Rental	188	537,663	101,080,693	122,793,112	-
Bosa Arden (718 Long Bridge Street) **	12E	Condo	267	1,000,000	267,000,000	411,998,104	-
Subtotal					\$ 491,131,386	\$ 657,499,492	\$ 342,417
<i>New Enrolled Valuation Expected FY 2017-18</i>							
UDR (1850 Channel Street)	2	Rental	315	\$ 450,000	\$ 141,750,000	223,547,206	\$ -
Summerhill Venue (1201 4th Street)	3W	Rental	147	450,000	66,150,000	102,315,477	-
Bosa Arden (718 Long Bridge Street) **	12E	Condo	267	1,000,000	267,000,000	411,998,104	-
EQR Azure (690 Long Bridge Street)	13W	Rental	273	686,410	187,389,930	192,398,014	-
Kaiser (1600 Owens) ***	41-43 4	Office	208,844	600	125,306,400	2,503	125,303,897
ARE/Uber Property Sale	26-27	Land	(NA)	(NA)	125,000,000	466,389,346	-
Kilroy Property Sale	40	Land	(NA)	(NA)	95,000,000	789,225,180	-
Strada Property Sale	6, 7	Land	(NA)	(NA)	70,000,000	476,318,172	-
Subtotal					\$ 1,077,596,330	\$ 2,662,194,002	\$ 125,303,897
Total					\$ 1,568,727,716	\$ 3,319,693,494	\$ 125,646,314

* Expressed in current dollars.

** Construction valuation added in 2016-17, 1/2 condo sales enrolled in 2017-18 and 2018-19

*** Roll value reflects an exemption of \$260,179,519 for this hospital property.

Notes: Per-unit valuation for rental properties based on actual costs reported in 10-Q filings or are estimated based on valuations for similar completed properties in the Project Area.

Per-unit valuation for condos estimated based on a review of current asking prices for condos in Mission Bay.

Per-room valuation for hotel estimated based on the valuation of the W hotel.

Per-square-foot valuation for office based on the valuation of completed office properties in Mission Bay.

Estimated full valuation of property sales is the amount of the transaction.

Estimate of full enrollment year based on site visit conducted 2/5/2016.