AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A POOLED FUNDS CASH FLOW LOAN AGREEMENT OF UP TO $21,172,676, WITH THE TREASURER AND CONTROLLER OF THE CITY AND COUNTY OF SAN FRANCISCO TO ENSURE COMPLIANCE WITH BOND INDENTURES AND ACCOMMODATE POTENTIAL DEFICIENCIES IN PROPERTY TAX INCREMENT AVAILABLE TO FUND DEBT SERVICE OBLIGATIONS IDENTIFIED ON RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B, SUBJECT TO OVERSIGHT BOARD AND CALIFORNIA DEPARTMENT OF FINANCE APPROVAL

WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26 and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session), the San Francisco Redevelopment Agency (“SFRA”) was dissolved and certain obligations of SFRA were transferred to the successor agency, now known as the Office of Community Investment and Infrastructure (“Successor Agency”), the successor to the San Francisco Redevelopment Agency by operation of law. ABx1 26 and Assembly Bill No. 1484 amended Sections 33500 et seq. of the California Health and Safety Code, which sections, as amended from time to time, shall be referred to herein as the “Dissolution Law; and,

WHEREAS, Dissolution Law (Health & Safety Code § 34183 (a)) requires county auditor-controller to calculate the amount of property tax increment that would have been potentially received by former Redevelopment Agencies under pre-dissolution formulas to a Redevelopment Property Tax Trust Fund (“RPTTF”) on January 2 and June 1 of each year and remit to Successor Agencies the amount of available increment necessary to make payments listed on each Successor Agency’s Recognized Obligation Payment Schedule (“ROPS”) for the six month period beginning January 1 (for January 2 distributions) and July 1 (for June 1 distributions) of each year, along with the funds required to pay for approved administrative costs; and,

WHEREAS, On September 22, 2014, the Successor Agency submitted to its Oversight Board and the California Department of Finance a ROPS for the six-month period beginning January 1, 2015 (“ROPS 14-15B”) that included a RPTTF request for $109,272,190, offset by $3,168,208 RPTTF savings from the ROPS period ending June 30, 2014, for a net RPTTF request of $106,103,982. Four items in the RPTTF request for ROPS 14-15B (Items 102, 220, 226, and 346) totaling $5,300,000 are tied to actual increment collected for specific pledges, and will be revised upward or downward depending on actual increment collected; and,

WHEREAS, The Successor Agency is pursuing the refunding of various tax allocation bonds in order to achieve debt service savings. If the refunding is concluded before
January 2015, it is likely that the RPTTF requirements for the ROPS 14-15B period will be significantly reduced due to the elimination in debt service needs for the refunded bonds; and,

WHEREAS, On October 1, 2014, pursuant to Dissolution Law (Health & Safety Code §34182(c)(3)), the Controller submitted an estimate of RPTTF that would be available for distribution to the Successor Agency on Jan 2, 2015 for ROPS 14-15B enforceable obligations of $86,026,343. This means that there is a potential shortfall of up to $20 million (rounded), plus or minus the potential change in actual pledged increment for ROPS lines 102, 220, 226 and 346; and,

WHEREAS, Dissolution Law (Health & Safety Code § 34183 (c)) provides that the county treasurer may loan any funds from the county treasury to the Redevelopment Property Tax Trust Fund of the successor agency for the purpose of paying an item approved on the Recognized Obligation Payment Schedule at the request of the California Department of Finance that are necessary to ensure prompt payment of redevelopment agency debts; and,

WHEREAS, The Charter of the City and County of San Francisco (“Charter”) Section 9.113 provides that in the event that funds are not available to meet authorized expenditures, the Treasurer, upon the recommendation of the Controller, is authorized to transfer monies among funds held by the Treasurer in the pooled funds of the City and County of San Francisco (“City”) which are legally available for such a purpose,

WHEREAS, Through this Loan Agreement, the Successor Agency is requesting the Treasurer, upon the recommendation of the Controller, to provide the transfer of funds under the authority of Charter Section 9.113, in the form of a cash flow loan of up to $21,172,676, in order to meet approved enforceable obligations in ROPS 14-15B, provided that this loan is approved as an enforceable obligation by the Oversight Board and the California Department of Finance to be repaid from RPTTF available to be distributed on June 1, 2015 for the following ROPS 15-16A period. For the purposes of assigning the loan to specific enforceable obligations, the Successor Agency requests the loan amount to be substituted for RPTTF for the following ROPS debt service items, with potential modifications to the requested amounts, as described in Sections 9 and 10 below:

a. Item 276, Tax Allocation Bond Series 2004A, Various Project Areas: $9,992,275;
d. Item 309, Tax Allocation Bond Series 2009A, component related to Mission Bay North housing loan, up to $418,746;
e. Item 336, Tax Allocation Bond Series 2011C, Mission Bay North non-housing, up to $2,819,082;
f. Item 389, Tax Allocation Bond Series 2014A, Mission Bay South non-housing, up to $3,500,300; and,

WHEREAS, If the Successor Agency completes a refunding of tax allocation bonds prior to the January 2, 2015 RPTTF distribution date for ROPS 14-15B, the cash flow loan request listed in Items 8a, 8b, and 8c may be reduced, eliminated, or applied against the new refunding bond(s), depending on the Successor Agency’s RPTTF requirements for debt service following issuance of the refunding bonds; and

WHEREAS, Approval of a Loan Agreement with the Treasurer and Controller is not a “Project,” as defined by the California Environmental Quality Act (“CEQA”) Guidelines Sections 15378(b)(4) and 15378(b)(5). Actions related to the proposed Loan Agreement will not independently result in a physical change in the environment are not subject to environmental review under CEQA; now, therefore, be it

RESOLVED, That the Executive Director is hereby authorized to enter into a loan agreement substantially in the form of the Pooled Funds Cash Flow Loan Agreement between the Treasurer of the City and County of San Francisco and the Successor Agency, attached as Exhibit A, subject to Oversight Board and California Department of Finance approval and recognition of the Loan Agreement as an enforceable obligation pursuant to California Health & Safety Code § 34183(c).

Exhibit A: Pooled Funds Cash Flow Loan Agreement between the Treasurer of the City and County of San Francisco and The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, operating as the Office of Community Investment and Infrastructure.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of November 18, 2014.

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Commission Secretary