MEMORANDUM

TO: Oversight Board
FROM: Tiffany Bohee, Executive Director
SUBJECT: Approving the payment of $2,950,968 to the Low and Moderate Income Housing Asset Fund of the City and County of San Francisco as partial repayment of the March 16, 2010 loan of $16,483,000 from the former San Francisco Redevelopment Agency Low and Moderate Income Housing Fund for a Supplemental Educational Revenue Augmentation Fund payment pursuant to Recognized Obligation Payment Schedule ("ROPS") 14-15B Item 12, and approving the placement of additional repayments on future ROPSs

EXECUTIVE SUMMARY

The attached resolution confirms a prior Oversight Board action on September 22, 2014, included in Resolution 10-2014, which approved a $2,950,968 payment to the Low and Moderate Income Housing Asset Fund of the City and County of San Francisco as partial repayment of the March 16, 2010 loan of $16,483,000 from the former San Francisco Redevelopment Agency Low and Moderate Income Housing Fund for a Supplemental Educational Revenue Augmentation Fund payment. The prior action was contained within a resolution approving the Successor Agency’s Recognized Obligation Payment Schedule ("ROPS") 14-15B. This resolution responds to a California Department of Finance ("DOF") requirement for a separate Oversight Board action to approve Successor Agency repayments of Low and Moderate Income Housing Fund ("LMIHF") loans to former Redevelopment Agencies.

Staff recommends approval of the resolution.

DISCUSSION

On September 22, the Oversight Board’s Resolution 10-2014 approved the Successor Agency’s Recognized Obligation Payment Schedule ("ROPS") 14-15B. That resolution included a clause specifically approving Item 12 of ROPS 14-15B, representing the payment of $2,950,968 to the Low and Moderate Income Housing Asset Fund of the City and County of San Francisco City’s Housing Asset Fund.

This item is a partial repayment of a 2010 loan of $16,483,000 from the Low and Moderate Income Housing Fund ("LMIHF") of the former San Francisco Redevelopment Agency ("SFRA") to allow the SFRA to make a mandatory payment to the Supplemental Educational Revenue Augmentation Fund ("SERA F"). The loan was pursuant to SFRA Resolution 25-2010 (Attachment 1).
Redevelopment Dissolution Law, California Health and Safety Code §34191.4(b)(2)(A), provides that Successor Agencies may repay from Redevelopment Agency loans payable to sponsoring organizations after receiving a finding of completion, but the amount of the repayment is limited to a formula based on the amount of residual property tax released to taxing entities in each fiscal year compared to a base year. At the time that the Successor Agency was preparing its Fiscal Year 2014-15 budget, the Agency believed that this formula limited the repayment of the $16,483,000 LMIHF loan to a maximum of $2,950,968 in Fiscal Year 2014-15, and with the consent of the City and County of San Francisco Mayor’s Office, this dollar amount was placed in the Successor Agency’s budget as an amount to be paid, and in the budget of the Mayor’s Office of Housing and Community Development as an amount to be received into the Low and Moderate Income Housing Asset Fund.

Upon further conversations with California Department of Finance staff, it was later determined that the statutory formula would have allowed a payment during Fiscal Year 2014-15 of up to $15,998,229. However, with the concurrence of Mayor’s Office staff, we left the proposed partial loan repayment for FY 2014-15 at the budgeted level of $2,950,968, and that was the amount placed on the Agency’s ROPS 14-15B Item 12, approved by the Oversight Board on September 22, 2014 in Resolution 10-2014.

After receiving the Oversight Board resolution, DOF staff informed the Successor Agency that repayments of LMIHF loans require a separate Oversight Board resolution.

The attached resolution satisfies the DOF requirement and also approves the placement of additional repayment amounts on future ROPSs up to the maximum allowed by formulas in Redevelopment Dissolution Law, Health and Safety Code §34191.4(b)(2)(A).

Staff recommends approval of the resolution.

(Originated by Leo Levenson, Deputy Director for Finance and Administration)

[Signature]

Tiffany Bohue
Executive Director

Attachment 1: San Francisco Redevelopment Agency Resolution 25-2010