

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 55-2016

Adopted December 6, 2016

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH URBAN ANALYTICS, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR FISCAL CONSULTANT SERVICES TO INCREASE THE CONTRACT AMOUNT BY \$27,500 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$197,500, TO FACILITATE BOND ISSUANCES

- WHEREAS, The Successor Agency became the successor to the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic (“Successor Agency”), exercising its functions and powers and organized and existing under the Community Redevelopment Law of the State of California, when the former Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) was dissolved on February 1, 2012, pursuant to California Health and Safety Code Sections 34170 et seq. (“Redevelopment Dissolution Law”); and,
- WHEREAS, The Successor Agency (commonly known as the Office of Community Investment and Infrastructure, or “OCII”) assumed certain of the Former Agency’s enforceable obligations. The Successor Agency is charged with winding-down the enforceable obligations, pursuant to Redevelopment Dissolution Law, and subject to the oversight of the State Department of Finance (“DOF”), which is the lead implementing agency under Redevelopment Dissolution Law; and,
- WHEREAS, In FY15-16, OCII planned to issue five series of bonds: two refunding bonds, one to refund existing debt in Mission Bay North and one to refund existing debt in Mission Bay South, one new money bond to fund infrastructure in Mission Bay South, one subordinate new money bond to fund infrastructure in Mission Bay South, and one new money bond to fund affordable housing obligations authorized under Section 9 of Senate Bill No. 107 (Stats. 2015, ch. 325) (codified at Cal. Health & Safety Code Section 34177.7 (“SB 107”)); and,
- WHEREAS, On December 15, 2015, the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure (“CCII”) approved the Personal Services Contract with Urban analytics, LLC (“Contract”) which included preparation of Fiscal Consultant Reports (“FCR”) to support the issuance of these bonds and preparation of Securities and Exchange Commission (“SEC”)-mandated annual secondary market disclosure filings required after the issuance of the bonds through December 2018; and,
- WHEREAS, OCII issued four of the five series of bonds contemplated under the original Contract (two refunding bonds, one in Mission Bay North and one in Mission Bay South, one new money bond to fund infrastructure in Mission Bay South, and one new money subordinate bond to fund infrastructure in Mission Bay South) and

deferred issuance of the bonds authorized under SB107 due to the complexity of issuing the first bonds under that authorization; and,

WHEREAS, OCII plans to issue the Bonds authorized by SB107 in March 2017 in two series, one to fund Affordable Housing Obligations and one to fund infrastructure in Transbay (“RPTTF Bonds”); and,

WHEREAS, OCII, for economics of scale, plans to issue two additional bonds on or around the March 2017 RPTTF Bond issuance, one to refund existing housing debt in Mission Bay and generate new money to fund Affordable Housing Obligations in Mission Bay (“Mission Bay Bonds”) and one to refund existing housing debt unrelated to Mission Bay (“Refunding Bonds”); and,

WHEREAS, Together, the RPTTF Bonds, the Mission Bay Bonds, and the Refunding Bonds are known as the 2017 Bonds; and,

WHEREAS, Preparation of the FCR and the SEC-mandated annual disclosure filings for the RPTTF Bonds is included in the existing Contract; and,

WHEREAS, Issuance of the Mission Bay and Refunding Bonds requires preparation of additional FCRs and SEC-mandated annual secondary market disclosure filings; and,

WHEREAS, The Fiscal Consultant services for each of the planned issuances is substantially similar and it is therefore efficient to utilize Urban Analytics to support all the planned issuances; and,

WHEREAS, Section IX(D)(1)(d) of OCII’s Purchasing Policy provides that a contract may be awarded using a Sole Source Method if the proposed Contractor has previously provided the needed services, performed satisfactorily and gained specific information and experience making the Contractor uniquely qualified to provide the needed services; and,

WHEREAS, The Contractor satisfactorily provided the needed services for four bonds issued in 2016 under the existing Contract and gained expertise and knowledge, making the Contractor uniquely qualified to provide these services contemplated in the First Amendment to the Contract; and,

WHEREAS, Expanding the Scope of Service to support the additional bonds increases the cost by \$27,500, when offset by reallocating \$35,000 in unutilized contingency under the Contract; and,

WHEREAS, Increasing the contract authority by \$27,500 increases the contract not-to-exceed amount from \$170,000 to \$197,500; and,

WHEREAS, The source of funds for FCRs required for the issuance of bonds is bond proceeds or, if the bonds do not issue, any accrued fees will be paid from property tax revenue

increment authorized under OCII's Recognized Obligation Payment Schedule for the 2016-2017 fiscal year ("ROPS 16-17"), included in Line Item 345; and,

WHEREAS, The source of funds for SEC-mandated annual secondary market disclosures is property tax increment authorized under OCII's Recognized Obligation Payment Schedule for the 2016-2017 fiscal year ("ROPS 16-17"), included in Line Item 345; and,

WHEREAS, The term of the existing contract is through December 31, 2018 or until the Scope of Service is complete, which is sufficient to complete the revised Scope of Service and therefore no change to the contract term is required; and,

WHEREAS, Urban Analytics is a San Francisco Small Business Enterprise and Local Business Enterprise; and,

WHEREAS, Staff recommends approval of the proposed First Amendment to the Contract with Urban Analytics, LLC to expand the scope and increase the contract not-to-exceed amount by \$27,500 from \$170,000 to \$197,500; and,

WHEREAS, Contracting for services related to the sale and issuance of the 2017 Bonds is a Successor Agency fiscal activity that does not constitute a "Project" as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(4), will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA; now therefore, be it

RESOLVED, That the Executive Director of the Office of Community Investment and Infrastructure is authorized to execute The First Amendment to the Personal Services Contract with Urban Analytics, LLC, attached to this Resolution, to re-allocate \$35,000 in unutilized contingency and substantially in the form add \$27,500 in contract authority, increasing the contract not-to-exceed amount from \$170,000 to \$197,500.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 6, 2016.


Interim Commission Secretary

Attachment A: First Amendment to the Personal Services Contract with Urban Analytics, LLC

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE/
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO

PERSONAL SERVICES CONTRACT

This FIRST AMMENDMENT TO THE PERSONAL SERVICES CONTRACT (“Contract”) is entered into as of December __, 2016 by and between the OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic (“OCII”), and Urban Analytics, a California Limited Liability Corporation (“Contractor”).

RECITALS

A. In FY15-16, the Office of Community Investment and Infrastructure (“OCII”), as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, planned to issue five series of bonds: two refunding bonds, one to refund existing debt in Mission Bay North and one to refund existing debt in Mission Bay South, one new money bond to fund infrastructure in Mission Bay South, one subordinate new money bond to fund infrastructure in Mission Bay South, and one new money Redevelopment Property Tax Trust Fund (RPTTF) bond to fund affordable housing obligations authorized under Section 9 of Senate Bill No. 107 (Stats. 2015, ch. 325) (codified at Cal. Health & Safety Code Section 34177.7 (“SB 107”).

B. On October 23, 2015 OCII staff issued to the City Controller’s Economic Consultant Panel a Request for Proposal (“RFP”) for Fiscal Consultant services for preparation of Fiscal Consultant’s Reports (FCRs) required for the planned bond issuances as well as Securities and Exchange Commission (SEC)-mandated annual secondary market disclosures required after the issuance of the bonds. Two firms responded to the RFP and OCII formed a panel to evaluate the proposals. The panel unanimously recommended Urban Analytics, subject to OCII Commission approval.

C. On December 15, 2015, the Commission approved, by Resolution 80-2015, a contract with Urban Analytics for a not-to-exceed amount of \$170,000 and a term ending December 31, 2018 or upon the completion of the Scope of Service (“Contract”). The Scope of Service included Fiscal Consultant services for preparation of Fiscal Consultant’s Reports (FCRs) required for the planned bond issuances, as well as Securities and Exchange Commission (SEC)-mandated annual secondary market disclosures required after the issuance of the bonds.

D. To date, OCII has issued four of the five planned issuances. In March 2015, OCII issued 2016A and 2016B to refund existing infrastructure bonds in Mission Bay North and South respectively. OCII also issued 2016C, a new money bond to fund infrastructure in Mission Bay South. In August 2016, OCII issued 2016D, a subordinate new money bond to fund infrastructure in Mission Bay South. Due to the complexity of issuing the first bonds relying on the authority

under SB107 to secure bonds with RPTTF (“RPTTF Bonds”), the planned RPTTF Bond has not yet been issued.

E. OCII now plans, subject to Commission, Oversight Board, and DOF approval, to issue the unissued RPTTF Bonds in March 2017 as two series: 2017A will fund Affordable Housing Obligations and 2017B will fund infrastructure in Transbay. In addition, to achieve economies of scale, OCII also plans to issue, subject to Commission, Oversight Board, and DOF approval, 2017C and 2017D at or about the same time as 2017A and 2017B. 2017C will refund existing housing debt in Mission Bay and generate new money to fund Affordable Housing Obligations in Mission Bay. 2017D will refund existing housing debt unrelated to Mission Bay. Together these issuances are the 2017 Bonds.

F. The proposed issuance require preparation of additional FCRs and SEC-mandated annual disclosure filings after the bonds are issued;

G. Given that preparation of FCRs and SEC-mandated annual secondary market disclosures for the RPTTF bond are included in the existing Scope of Service for the existing Contract and that the FCR and SEC-mandated annual secondary market disclosures for the Mission Bay Bonds and Refunding Bonds are substantially similar to those required for the RPTTF Bond, OCII staff now desire to amend the existing contract between OCI and Urban Analytics to include Fiscal Consultant services for the Mission Bay and Refunding Bonds.

H. The increase in the Scope of Service requires reallocating \$35,000 in unutilized expenditure authority earmarked for Contingency and the addition of \$27,500 in additional expenditure authority.

I. Given that the term of the existing contract between OCII and Urban Analytics is through December 31, 2018 or until the Scope of Service is complete, no extension of term is required.

J. Fees authorized under the existing contract and this First Amendment for preparation of FCR’s required for bond issuances have been, and will be paid from bond proceeds. If any bond does not close, fees will be paid from property tax increment. Fees authorized under the existing contract and this First Amendment for SEC-mandated annual secondary market disclosures have been and will be paid from property tax increment.

AGREEMENT

ACCORDINGLY, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Agency and Contractor agree to amend the Contract as follows:

1. SCOPE OF SERVICES

The Scope of Services is hereby deleted in its entirety and replaced with **Attachment A**, "Scope of Services".

2. BUDGET

The contractor's Budget is hereby deleted in its entirety and replaced with **Attachment B**, "Budget."

3. COMPENSATION AND METHOD OF PAYMENT

The first sentence of Section 3 is deleted in its entirety and replaced with the following: "The maximum amount payable under this Contract is One Hundred and Ninety-Seven Thousand Five Hundred Dollars (\$197,500)." The remaining portions of Section 3 A-C remain in effect.

This First Amendment constitutes a part of the Contract and any reference to the Contract, in any document, shall be deemed to include a reference to such Contract as amended hereby.

Except as otherwise amended hereby, all terms, covenants, conditions and provisions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF OCII and Contractor have executed this Contract as of the date first above written.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO,**
a public body, corporate and politic

By: _____
Tiffany Bohee
Executive Director

URBAN ANALYTICS, LLC

By: _____

David Mealy
Principal
Federal Tax Identification No. 94-3320240

APPROVED AS TO FORM:

By: _____

James B. Morales
General Counsel and Deputy Director

Attachment A: Scope of Services

Attachment B: Budget

Attachment A Scope of Services

Introduction

Urban Analytics (Contractor) will draw on its experience with redevelopment tax increment matters in California and particularly on its experience with tax allocation bond issues in executing the services described below. Contractor will obtain and utilize county tax roll data in this assignment and will make data available through the Urbics website to staff, financing team members, and if desired, rating agencies and insurers.

Task 1: Project Initiation

Contractor will discuss with Agency staff, bond counsel and financial advisor, either in a meeting or via email and telephone correspondence, items of particular concern. These items may include issues related to pass-through payments including their potential subordination, growth rate scenarios to be included in the final report, and recent state legislation. Contractor will utilize then current tax roll data.

Task 2: Redevelopment Plan Review

Contractor will review the redevelopment plans in effect for the Project Areas, identifying fiscal limitations relevant to the issuance of debt. Such limitations may include time limits on the collection of tax increment and other statutory limitations. All such limitations will be noted in the Fiscal Consultant Report (FCR). The FCR will incorporate descriptive accounts of the plans and will present relevant time and fiscal limits in tabular form.

Task 3: Analysis of Pass-through Payments

Contractor will prepare a descriptive account of the Agency's pass-through obligations for inclusion in the FCRs and will note any constraints or limitations these obligations may have on the Agency's collection of tax increment revenue over time.

Task 4: Analysis of County Tax Increment Allocation Procedures

Consultant will review the calculation and allocation of tax increment revenue by the County Controller's office for the prior fiscal year. In particular, the Consultant will verify the tax increment received by the Agency against the incremental valuation reported by the County Controller. Consultant will review the tax rates applied by the Controller's office to the incremental valuation and verify that the County's payments of tax increment correspond to the amount due to the Agency, taking into account any statutorily mandated adjustments to revenue.

Consultant will identify significant discrepancies or problems and discuss with Agency and County staff and, where relevant, note these discrepancies in the FCR.

Task 5: Top Taxpayers and Land Use

Contractor will prepare a table for inclusion in the FCR showing the ten largest taxpayers in each project area using the secured, unsecured and state-assessed utility rolls, ranked by assessed valuation. Valuation for each taxpayer will also be shown as a percentage of project area total valuation. Consultant will also provide a table showing a breakdown of land uses within the project area.

Task 6: Historical Review of Taxable Values

Using available tax increment reports and assessment roll data, Contractor will prepare tables showing assessed valuation growth in the project areas over a five-year period. Where such information is available, Contractor will discuss the major reasons for significant changes in valuation. Contractor will also prepare a table showing the debt service levies, if any, applicable to the Agency's incremental valuation over the period.

Task 7: Tax Increment Revenue Projections

Contractor will prepare tax increment projections for any and all project areas as required. The projections will utilize the most current available tax rolls, using a two percent growth rate. Contractor will make projections over the remaining life of the project areas. Contractor will incorporate housing set-aside revenue, Education Revenue Augmentation Fund payments; statutorily mandated adjustments to revenue; pass-through payments and other obligations and will separately show pass-through payments, when appropriate, for subordinated and non-subordinated obligations.

Task 8: Assessment Appeals Analysis

Based on information made available by the County Assessor and the Assessment Appeals Board, Contractor will prepare an analysis of pending and recently resolved assessment appeals on properties within the project. The analysis will include an estimated of the potential impact, if any, on Agency revenue using available information on the amount of assessed valuation in dispute in current and recent appeals.

Task 9: Other

Consultant will complete other analysis or data compilation as is customary to the role of Fiscal Consultant in transactions of this type.

Task 9: Fiscal Consultant Reports

Consultant will prepare an FCRs for inclusion in the offering documents for the planned bond issuances. Each FCR will incorporate analysis and tables identified in previous Tasks. Each FCR

will include discussions of recent and pending legislation relevant to the Agency's tax increment receipts, County tax allocation practices and other pertinent fiscal matters, including those identified by the Agency and other financing team members. Contractor will provide reports in draft, electronic form for review by financing team members and in final, PDF form for inclusion in the bond documents.

Task 10: Continuing Disclosure Reports

Contractor will prepare the SEC-mandated annual secondary market disclosure reports due in December 2016, 2017, and 2018. The tables will be those identified in the original official statements for the bonds. Additional material required for the annual disclosure report as defined in the indentures, including the financial report and any statements of significant events, will be separately prepared by the Agency.

Extensions

The contract provides that the Scope may be extended, as approved by the Executive Director.

Attachment B Budget

Fiscal Consultant's Report (FCR)	
Mission Bay North 2016A (complete)	\$ 25,000
Mission Bay South 2016B & 2016C (complete)	\$ 25,000
Mission Bay South 2016D (complete)	\$ 25,000
RPTTF Bond: Affordable Housing Obligations 2017A & Transbay Infrastructure 2017B	\$ 25,000
Mission Bay Bonds: New for Affordable Housing Obligations and Refunding Existing Mission Bay Debt 2017C	\$ 25,000
Refunding Bonds 2017D	\$ 25,000
Fiscal Consultant Report Subtotal	\$ 150,000
Annual Disclosure Reports	
Annual Disclosure Reports (4x3 years @\$2,500 each)	\$ 30,000
Annual Disclosure Reports (2x2 years @\$2,500 each)	\$ 10,000
Annual Disclosure Report Subtotal	\$ 40,000
Additional Property Tax Related Work	\$ 7,500
Total	\$ 197,500

Fees related to FCRs will be paid from bond proceeds on a fixed fee-for-service basis in the amounts listed above. Payment is not contingent upon closing. Should a bond sale not occur, fees will be paid from property tax increment based on an hourly rate of \$245. Total fees for FCRs will not exceed the amount listed for the relevant bond issuance. Invoices will be submitted prior to the closing of the bond sale.

Fees related to Annual Disclosure Reports will be paid from property tax increment on a fixed fee-for-service basis in the amounts listed above.

Fees related to Additional Property Tax work will be paid from property tax increment on based on an hourly rate of \$245.