Office of Community Investment and Infrastructure

2023A Affordable Housing Bonds
and
2023B Transbay Infrastructure Bonds

OCII

June 20, 2023

Overview

- **Enforceable Obligations**
  - Affordable Housing Obligation – 4,434 Units
    - 140 units in construction
    - 981 units in predevelopment
  - Transbay Infrastructure Obligations required by the Transbay Implementation Agreement
- **Enabling Authority**
  - California Health and Safety Code
    - Section 34177.7 (a)(1)(A)
    - 34177.7 (a)(1)(B)

Overview

- **2023 Series A Purpose**
  - 537 units of affordable housing

Location	Project Name	Units
Transbay	Transbay 2 East	184
Transbay	Transbay 2 West	151
Transbay	Transbay 4 Pre-Development	202
Total		**537**

- **2023 Series B Purpose**
  - Transbay Block 3 Park Project

Approval Process

- **April 18, 2023 –** Commission approved the OCII FY23-24 budget including proposed expenditure of $129 million in bonds proceeds (Reso 11-2023)
- **March 21, 2023 –** Commission conditionally authorized, subject to DOF approval, the issuance of the Bonds and certain primary bond documents (Reso 26.2021)
- **March 27, 2023 –** Oversight Board approved the issuance of the Bonds (Reso 3-2021)
- **April 13, 2023 –** The Department of Finance approved the issuance of the Bonds.
- **July 2023 –** Board of Supervisors considers final approval of OCII budget and issuance of the Bonds

Sources by Uses

2023 Series A and 2023 Series B Bonds

	2023A Bonds Affordable Housing	2023B Bonds Transbay Infrastructure	Total
SOURCES			
Bond Proceeds	26,865,000	40,490,000	67,355,000
Premium		1,893,466	1,893,466
Total Sources	**26,865,000**	**42,383,466**	**69,248,466**
USES			
Project Fund	24,000,000	37,000,000	61,000,000
Debt Service Reserve Fund	1,976,661	3,980,557	5,957,218
Cost of Issuance	199,428	300,572	500,000
Underwriter's Discount	96,632	145,640	242,272
Insurance	592,233	955,687	1,547,920
Other Uses of Funds	47	1,010	1,057
Total Uses	**26,865,000**	**42,383,466**	**69,248,466**

The actual issuance amount will be finalized in the weeks before the bond issuance and will be based on the most up-to-date project costs and market conditions

Proposed Action

Approve POS, OS and CDC

- **Preliminary Official Statement ("POS") –** disclosure document released to potential investors prior to the sale of the bonds.
    - Informs potential investors of all information material to the legality, revenue source for repayment, and risks.
    - Must include any information that would affect a reasonable investor's decision to buy the bonds.
- **Final Official Statement ("OS") –** essentially the same as the POS but with the addition of the bond interest rates, maturity structure, final costs of issuance, sources and uses and other specifics determined after the date of the bond sale.
- **Continuing Disclosure Certificate ("CDC") –** SEC-mandated contract between the issuer of the bonds and the underwriter setting forth the information that the issuer is obligated to disclose to the market as long as the bonds are outstanding.

Final Steps

Actions Necessary to Complete the Proposed Transaction

Summer 2023	Bond Pricing (depends on CCSF tax roll timing)
3 weeks later	Bond Closing

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Questions / Comments

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