



107-0142024-002

Agenda Item **No. 5(d)**
Meeting of April 16, 2024

MEMORANDUM

TO: Commission on Community Investment and Infrastructure

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Approving the budgets and levies of special taxes for July 1, 2024 through June 30, 2025 for Community Facility Districts administered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure or “OCII,” as the successor to Redevelopment Agency of the City and County of San Francisco (“SFRA”), administers seven Mello-Roos Community Facilities Districts (“CFD”s) in the Mission Bay North and South, Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas, as well as in the former Rincon Point South Beach Redevelopment Project Area. At the time, when SFRA established these CFDs, resolutions of formation specified the public facilities and services that a particular CFD would fund by issuing bonds or paying directly by appropriations of the special taxes. The CFD Budgets for the costs to be expended must be established annually. The facilities and services eligible for funding must be consistent with the Mello-Roos Community Facilities Act of 1982 (“Mello Roos Act”), Cal. Govt § 53311 et seq. and the resolutions of formation for the particular district.

The proposed Fiscal Year 24-25 CFD Budgets (“FY 24-25 CFD Budgets”) includes an estimate of the annual special tax levies, which will be finalized in August 2024. Under the Mello Roos Act, the special tax levy is set by the Rate and Method of Apportionment (“RMA”), which was approved by the Commission at the time of CFD formation. The FY 24-25 CFD Budget details the projected expenditures of this revenue, including 2025 debt service amounts.

London N. Breed
MAYOR

Thor Kaslofsky
EXECUTIVE DIRECTOR

Bivett Brackett
CHAIR

Dr. Carolyn Ransom-Scott
Vanessa Aquino
Tamsen Drew
Kent Lim
COMMISSIONERS

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

415 749 2400

www.sfocii.org

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The FY 24-25 CFD Budget is \$48.0 million, which includes \$20.5 million funded by the FY 24-25 special tax levies and \$27.5 million funded by special tax fund balance.

On April 2, 2024, OCII presented the workshop on the FY 24-25 CFD Budgets. No comments or changes were made. The budget narrative is attached as Attachment A to Resolution 10-2024, including background on CFDs and the CFD budget process as well as a budget and workplan for each CFD.

Additionally, in FY 23-24, the Commission approved, by Resolution No. 32-2023 (Nov. 7, 2023) a Joint Facilities Agreement for Maintenance and Operations of Mission Bay Parks ("Parks Agreement") with the City through its Port and Recreation and Park Department ("RPD"). The Board of Supervisors subsequently approved the Parks Agreement. Resolution No. 574-23 (Dec. 15, 2023). OCII remains the administrator of CFD 5, but now contracts with the City, instead of a private contractor, for the delivery of maintenance services. Under the Parks Agreement, OCII reviews and approves annually the budget for the City's Operation Plan for the Mission Bay Parks:

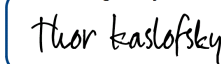
For so long as CFD No. 5 exists, OCII, acting as the legislative body of CFD No.5, will approve, in its sole discretion, an annual budget for CFD No. 5 Funds consistent with CFD Requirements detailing the maximum amount of funding available for the maintenance and operations of the Mission Bay Parks after deducting its reasonable administrative costs. OCII will review and approve the Operations Plan for the Mission Bay Parks, and will transfer to the City, subject to appropriation in the CFD annual budget, the CFD No. 5 funds available to implement the Operations Plan, after deducting its reasonable administrative costs.

Parks Agreement, Section 5 (c), at p. 7. The details on RPD's workplan is attached as Exhibit A to Attachment A to Resolution 10-2024, and the details on the Port's workplan is attached as Exhibit B to Attachment A to Resolution 10-2024.

RECOMMENDATION

OCII staff recommend approval of the FY 24-25 Budgets for the Community Facilities Districts.

(Originated by Mina Yu, Senior Budget & Project Finance Manager)

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Thor Kaslofsky
Executive Director