Oversight Board of the City and County of San Francisco

Recognized Obligation Payment Schedule Amendment Workshop

ROPS 22-23

September 12, 2022

OCII

Background

- AB26 (2011)
  - Required Successor Agencies to create Recognized Obligation Payment Schedule ("ROPS"), payments required by "enforceable obligations"
- SB107 (2015)
  - Revised ROPS time period from 2 six-month ROPS periods per fiscal year to 1 twelve-month period
  - Moved ROPS submission date to February 1 of each year
  - ➢ Authorized the Oversight Board to amend the ROPS once per twelve-month period, no later than October 1, effective January 1 to June 30 i.e. "B period"
  - Required DOF to approve/deny ROPS amendments 15 days prior to January 1 distribution

Schedule
ROPS 22-23 Amendment

- 2/1 Submission to DOF
- 4/15 Approval by DOF
- **9/12 Oversight Board Workshop**
- 9/20 Commission Workshop
- 9/26 Oversight Board Action
- 9/30 Submission to DOF

Funding Sources

- **Bond Proceeds** Includes Prior & Anticipated
- **Reserve Balances** Unexpended Redevelopment Property Tax Trust Fund ("RPTTF") received in a prior period
- **RPTTF Admin** Administrative Cost Allowance (max. 3% of prior year's approved RPTTF expenditure)
- **RPTTF Non-Admin** Redevelopment Property Tax Trust Fund
- **Other** Developer Payments, Grants, etc.

Proposed ROPS 22-23 Amendments

Reflect property tax growth, cost escalation, and grant extension

ROPS Line		Justification	Bonds	Other	Reserve	RPTTF Non-Admin	Change
49	Hunters Point Shipyard Phase 2 DDA & Tax Increment Allocation Pledge Agreement	Increase due to availability of additional pledged property tax available over projected amount to reimburse Pre-Agreement Costs under CP-HPS2 DDA.				$ 68,496	$ 68,496
76	HPS /CP Property Management	Increase due to supply chain issues and unforeseen conditions that caused delays increasing construction costs and due to repairs for fire damage to one artist studio at Building 101.		$ 640,653			$ 640,653
151	Mexican Museum	Carryforward of prior year funds to ROPS 22-23 due to grant extension for construction of museum.	$ 5,225,108	$ 1,560,011			$ 6,785,119
395	HPS/CP Block 52/54 Affordable Housing Funding	Increase due to interest rates increases, cost escalation, and lack of state financing.	$ 4,019,059				$ 4,019,059
417	MBS Block 9 Affordable Housing Funding	Increase due to construction and lease-up delays and repairs required due to water damage following fall 2021 storms.		$ 722,264			$ 722,264
Total			**$ 9,244,167**	**$ 2,922,928**	**$ -**	**$ 68,496**	**$ 12,235,591**

Proposed ROPS 22-23 Amendments

Funded primarily by Bond Proceeds and Other Funds

Source	Approved ROPS 22-23	Proposed ROPS 22-23	Difference	Percent Change	ROPS Line Proposed Amendments
Bond Proceeds	$272,395,648	$281,639,815	$9,244,167	3%	151 Mexican Museum 395 HPS/CP Block 52/54 Affordable Housing Funding
Reserve Balance	$32,303,453	$32,303,453	$0	0%	
Other Funds	$165,848,117	$168,771,045	$2,922,928	2%	76 HPS/CP Property Management 151 Mexican Museum 417 MBS Block 9 Affordable Housing Funding
RPTTF Non-Admin	$147,898,927	$147,967,423	$68,496	0%	49 Hunters Point Shipyard Phase 2 DDA & Tax Increment Allocation Pledge Agreement
RPTTF Admin	$3,869,823	$3,869,823	$0	0%	
Total	**$622,315,968**	**$634,551,559**	**$12,235,591**	**2%**	

Impact to Taxing Entities

Taxing Entities

- Minimal impact to taxing entities, because RPTTF Non-Admin increase of $68,496 is less than 1% change to overall to the $151,837,246 RPTTF request in ROPS 22-23

Calendar and Next Steps
ROPS 22-23 Amendment

- 2/1/22 Submission of ROPS 22-23 to DOF
- 4/15/22 Approval by DOF

➢ **9/12/22 Oversight Board Workshop**

- 9/20/22 Commission Workshop
- 9/26/22 Oversight Board Action
- 9/30/22 Submission to DOF
- *2/1/23 Submission of ROPS 23-24 to DOF*

ROPS 22-23: Amendment

Questions?