You are watching a Live meeting of the Commission on Community Investment and Infrastructure

Tuesday, April 20, 2021– 1 :00 PM

Please standby…

OCII

Office of Community Investment and Infrastructure

FY 21-22 Budget Approval

April 20, 2021

Proposed Actions: Approving FY21-22 Agency Budget, Interim Budget

- Approving a budget for the period July 1, 2021 through June 30, 2022 and authorizing the Executive Director to submit the budget and the interim budget to the Mayor's Office and the Board of Supervisors

Budget: FY21-22 Process

- 1/11/21 OSB ROPS Workshop
- 1/19/21 Commission Workshop
- 1/25/21 OSB ROPS Action
- 4/6/21 Commission Budget Workshop
- 4/15/21 DOF Decision on ROPS
- 4/20/21 Commission Budget Action
- 5/1/21 Mayor's Budget Office Submission
- 6/1/21 Board of Supervisors Submission

Budget: FY21-22 Sources

Primary Budget Sources are Property Tax, Fund Balance, and Bonds.

Sources	Amount (M)	Percent
Property Tax	$148.3	26.2%
Bonds	$119.8	21.2%
Developer Payments	$62.8	11.1%
Other Funds	$8.2	1.5%
Fund Balance	$130.3	23.0%
Prior Period Authority*	$96.4	17.0%
Total Sources	**$565.8**	100.0%

*Prior Period Authority is expenditure carried forward from FY20-21, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets.

Budget: FY21-22 Uses

Primary Uses are
Affordable Housing and Infrastructure & Other Non-Housing.

Uses	Amount (M)	Percent
Direct Program Spending		
Affordable Housing	$269.3	*47.6%*
Infrastructure & Other Non-Housing	$126.5	*22.4%*
Community Development & Workforce	$4.3	*0.8%*
Direct Programmatic Subtotal	**$400.1**	*70.7%*
Indirect Program Spending		
Asset Management	$3.2	*0.6%*
Project Management & Operations	$19.1	*3.4%*
Debt	$112.9	*19.6%*
Pass-through to TJPA	$30.2	*5.3%*
Other	$0.4	*0.1%*
Indirect Programmatic Subtotal	**$165.8**	*29.3%*
Total	**$565.8**	**100.0%**

OCII Budget: YOY Sources Comparison

Changes due to increase in new bonds, offset by decrease in PPA, which represents spend down of existing construction projects.

Sources	FY 20-21 Budgeted (M)	FY 21-22 Proposed (M)	YOY Difference (M)	Explanation
Property Tax	$ 149.9	$ 148.3	$ (1.6)	Decrease due to use of prior year funds in lieu of requesting current year funds for current year costs, offset by growth in property tax increment generated in project areas.
New Bonds	$ 15.5	$ 119.8	$ 104.3	Increase due to issuance of housing bond.
Developer Payments	$ 16.5	$ 62.8	$ 46.3	Increase due to developer payment for TBY 4 housing project.
Other	$ 10.8	$ 8.2	$ (2.6)	Decrease due to use of Other funds in prior year to pay debt service and retiree health in order to spend fund balance as per DOF direction.
Fund Balance	$ 108.7	$ 130.3	$ 21.6	Increase due to technical change in classification of MB property tax from PPA to Fund Balance.
Prior Period Authority (PPA)*	$ 225.9	$ 96.4	$ (129.4)	Decrease due to spending down on existing construction projects and use of PPA, instead of property tax increment, to fund Mission Bay projects.
Total Sources	**$ 527.3**	**$ 565.8**	**$ 38.6**	

*Prior Period Authority is expenditure carried forward from FY21-22, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets.

OCII Budget: YOY Uses Comparison

Changes due to an increase in affordable housing loans, offset by decrease in infrastructure reimbursement.

Uses	FY 20-21 Budgeted (M)	FY 21-22 Proposed (M)	YOY Difference (M)	Explanation
Affordable Housing Loans	$ 96.8	$ 239.7	$ 142.9	Increase due to new loans issued in FY21-22: HPS 52/54, HPS 56, MBS 9a, MBS 12W, TBY 4
Infrastructure Reimbursement	$ 196.8	$ 98.7	$ (98.1)	Decrease due to DOF direction to reimburse development infrastructure costs as incurred.
Pass-through to TJPA	$ 21.1	$ 30.2	$ 9.1	Increase due to growth in property tax in formerly state-owned parcels.
Debt Service - OCII TAB Bonds	$ 97.3	$ 103.6	$ 6.3	Increase due to debt service for new housing bond, offset by planned decrease in debt service based on debt service schedule.
Public Art	$ 1.1	$ 1.1	$ 0.0	No change.
Other Debt	$ 19.9	$ 6.3	$ (13.7)	Decrease due to partial defeasance of CFD 4 bond in FY20-21.
Operations & Misc. Project Costs	$ 34.6	$ 41.2	$ 6.6	Increase due to cost of issuance for affordable housing bond and professional services in Mission Bay.
Prior Period Authority*	$ 59.6	$ 45.1	$ (14.6)	Decrease due to spending down on multi-year construction contracts.
Total Uses	**$ 527.3**	**$ 565.8**	**$ 38.6**	

Budget: FY21-22 Summary

Cost Center Sources (M)	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Debt Service/ Non-Projects	Total	Percent
Property Tax	$0.0	$32.8	$1.9	$113.6	$148.3	26.2%
Bonds	$75.7	$0.0	$40.8	$3.3	$119.8	21.2%
Developer Payments	$0.6	$50.0	$12.0	$0.3	$62.8	11.2%
Other Funds	$0.0	$0.0	$3.3	$4.9	$8.2	1.4%
Fund Balance	$52.4	$7.5	$68.8	$1.6	$130.3	23.0%
Prior Period Authority	$66.4	$14.9	$8.3	$6.8	$96.4	17.0%
Total Sources	**$195.1**	**$105.2**	**$135.0**	**$130.5**	**$565.8**	100.0%

Note: Affordable housing and staffing costs are embedded into Project costs above.

OCII Budget: FY 21-22 Highlights

- FY 21-22 Budget of $565.8M is an increase of $38.6M or 7.3% from FY20-21 Budget of $527.3M.
  - Driven by new affordable housing loans issued in FY 21-22.
- Operational costs make up $19.1M or 3.4% of FY 21-22 Budget
- Staffing levels unchanged from prior year; 54 FTE
- Budget includes $239.7M in new loans: 4 construction/gap loans and 1 predevelopment loan
- Workplan includes issuance of $130.4M new money bond to fund affordable housing

Community Facilities Districts

- OCII administers seven Community Facilities District's ("CFD's) created under California's Mello-Roos Act

- CFD are special taxing districts approved by voters in the district

- CFDs are separate entities from OCII and their budget is not subject to Board of Supervisor's approval

- OCII staff will present CFD budgets to the Commission for its approval in August

CFD Projected Budget Profile

CFD	Project Area	2021 Est. Tax Levy (M)	FY21-22 Debt Service (M)	Principal Outstanding (M)	Final Bond Maturity	Purpose
CFD #1	Rincon Point	$0.2	n/a	n/a	n/a	Maintenance & Infrastructure
CFD #4*	Mission Bay North	$0.1	$0.1	$6.3	8/1/2031	Infrastructure
CFD #5	Mission Bay North & South	$2.7	n/a	n/a	n/a	Maintenance
CFD #6	Mission Bay South	$10.9	$9.1	$119.8	8/1/2043	Infrastructure
CFD #7	Hunters Point Shipyard Phase 1	$2.5	$2.0	$32.3	8/1/2036	Infrastructure
CFD #8	Hunters Point Shipyard Phase 1	$1.2	n/a	n/a	n/a	Maintenance
CFD #9	Hunters Point Shipyard Phase 2/Candlestick Point	$0.4	n/a	n/a	n/a	Maintenance & Infrastructure

Proposed Actions: Approving FY21-22 Agency Budget, Interim Budget

- Approving a budget for the period July 1, 2021 through June 30, 2022 and authorizing the Executive Director to submit the budget and the interim budget to the Mayor’s Office and the Board of Supervisors

Budget: FY21-22 Next Steps

- 4/20/21 Commission Budget Action
- 5/1/21 Mayor's Budget Office Submission
- 6/1/21 Board of Supervisors Submission

You are watching a Live meeting of the Commission on Community Investment and Infrastructure

PUBLIC COMMENT CALL-IN:

Dial: 1(888)557-8511 **Access Code:** 7500645

Press #, then # again

- You will automatically be muted when you get on the line.
- The auto-prompt will indicate you are entering "Question and Answer" but this is the "Public Comment" portion.
- When prompted, dial "1" then "0" to be added to the speaker queue.
- You will be prompted and unmuted when it's your turn to speak.
- After the beep, you will have 3 minutes. Please speak clearly and slowly.

OCII

Commissioners' Questions and Comments