Office of Community Investment and Infrastructure

FY 2018-19 Budget Approval

OCII

May 1, 2018

Budget Process: FY18-19

- **4/17/18: Commission Workshop**
  - Operations
  - Debt
  - Hunters Point Shipyard Phases 1 & 2 / Candlestick Point
  - Mission Bay North & South
  - Transbay
  - Affordable Housing
  - Development Services and Asset Management

- **5/1/18: Commission Action**

- **5/2/18: Mayor’s Budget Office Submission**

- **6/1/18: Board of Supervisors Submission**

Budget Workshop: FY18-19 Sources

Sources	Amount
Property Tax	$136.5
New Bonds	$144.1
Developer Payments	$23.5
Other (Lease Revenue & Hotel Tax)	$15.8
Fund Balance	$98.3
Prior Period Authority*	$329.4
Total Sources	**$747.6**

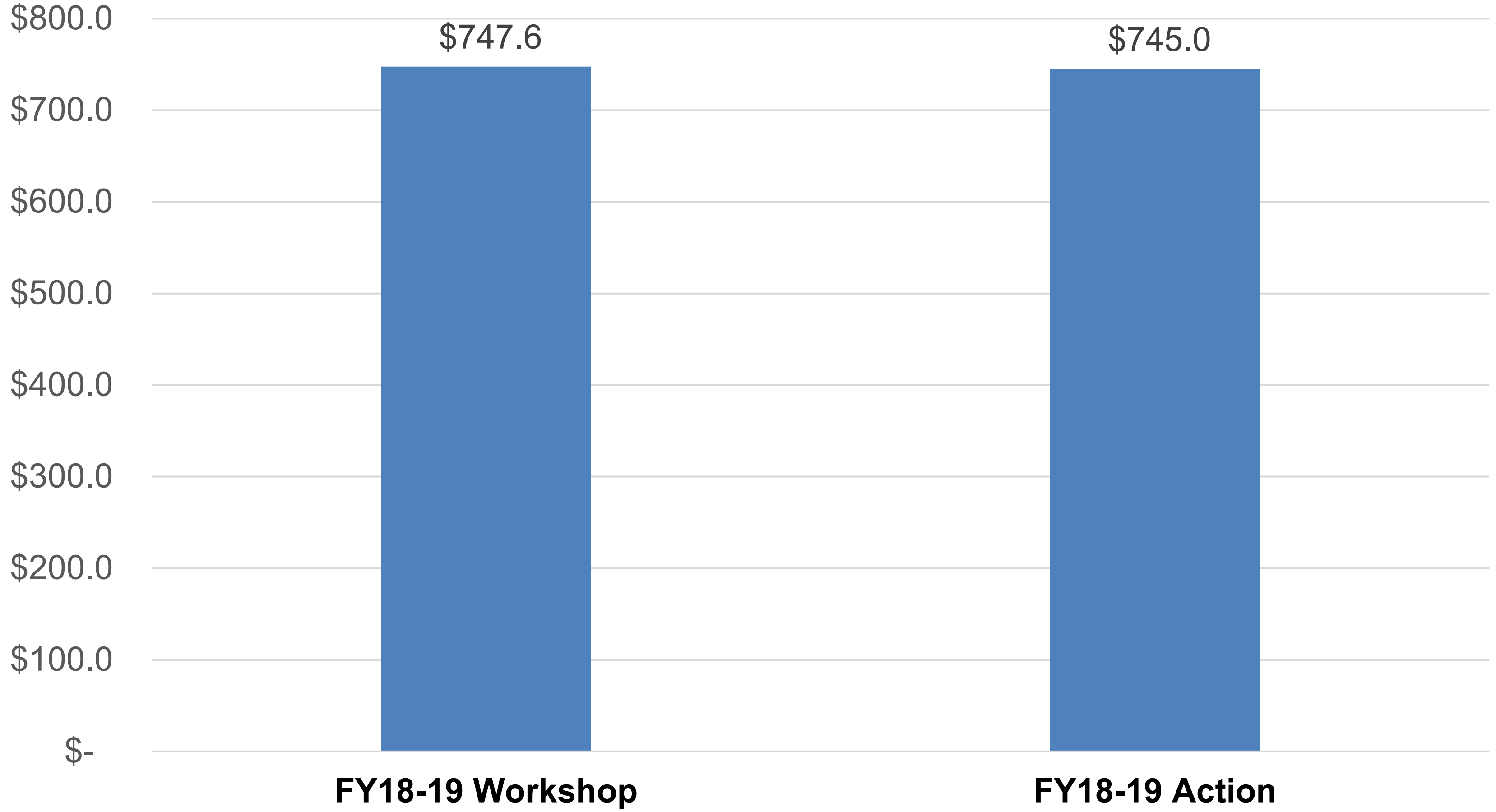
*Prior Period Authority is expenditure carried forward from FY17-18, including affordable housing loans awarded but not yet drawn down, multi-year construction budgets, unbudgeted bond proceeds, and pledged property tax.

Budget Workshop: FY18-19 Uses

Uses	Amount
Uses - Operations	
Salaries and Benefits	$8.6
Affordable Housing Services	$1.2
Rent	$0.6
Retiree Health and Pension Costs	$3.5
Auditing & Accounting Services	$0.6
Legal Services	$1.4
Planning & Infrastructure Rvw	$9.4
Asset Management	$0.2
Workforce Development Services	$0.1
Other Professional Services	$5.8
Grants to Community-Based Organizations	$0.5
Payments to other Public Agencies	$10.4
Other Current Expenses	$1.0
Subtotal CY Uses - Operations	**$43.3**
Uses - Non-Operations	
Affordable Housing Loans	$220.3
Development Infrastructure	$120.9
Pass-through to TJPA	$5.5
Debt Service - OCII Bonds	$109.8
Debt Service	$30.6
Fund Balance - Housing	$71.8
Fund Balance - Non-Housing	$11.1
Subtotal CY Uses - Non-Operations	**$569.9**
Prior Period Authority - Housing	$63.7
Prior Period Authority - Non-Housing	$70.7
Subtotal CY Prior Period Authority	**$134.4**
Total Budget Uses	**$747.6**

Budget Updates

Total change is a reduction of 0.3% due to recalculation of Transbay Housing Increment and Cost of Issuance with more up-to-date assumptions (Millions)



Budget Updates

Total change is a reduction of 0.3% (Millions)

	FY18-19 Workshop Proposed	FY18-19 Action Proposed	Difference	*% Change*
Sources				
Property Tax Increment	$136.5	$134.8	-$1.7	*-1.2%*
New Bonds	$144.1	$143.4	-$0.7	*-0.5%*
Developer Payments	$23.5	$23.5	$0.0	*0.0%*
Other	$15.8	$15.8	$0.0	*0.0%*
Fund Balance	$98.3	$98.3	$0.0	*0.0%*
Prior Period Authority	$329.4	$329.2	-$0.1	*0.0%*
Total Sources	**$747.6**	**$745.0**	**-$2.6**	***-0.3%***
Uses				
Uses - Operations	$43.3	$43.2	$0.0	*0.1%*
Uses - Non-Operations	$569.9	$567.4	-$2.6	*-0.4%*
Prior Period Authority	$134.4	$134.4	$0.0	*0.0%*
Total Uses	**$747.6**	**$745.0**	**-$2.6**	***-0.3%***
Sources vs. Uses	$0.0	$0.0	$0.0	

Budget Updates

- **Net decrease of Property Tax - $1.7M**
  - Increased Property Tax Increment – TAB Debt Service & Property Tax Increment – Other
  - Decreased Property Tax Increment – Transbay
  - Recalculation of TBY Housing Increment with more up-to-date assumptions

- **Net decrease of New Bonds - $0.7M**
  - Recalculation of Cost of Issuance for new bonds

- **Reallocation of staffing costs from Prior Period Authority to New Bonds (including rounding) - $0.2**

Budget Action: Updated FY18-19 Sources

Primary FY18-19 Budget Sources are Prior Period Authority, New Bonds, and Property Tax (Millions).

Sources	Amount
Property Tax	$134.8
New Bonds	$143.4
Developer Payments	$23.5
Other	$15.8
Fund Balance	$98.3
Prior Period Authority*	$329.2
Total Sources	**$745.0**

*Prior Period Authority is expenditure carried forward from FY17-18, including affordable housing loans awarded but not yet drawn down, multi-year construction budgets, unbudgeted bond proceeds, and pledged property tax.

Budget Action: Updated FY18-19 Uses

Primary Uses are Affordable Housing Loans & Development Infrastructure (Millions).

Uses	Amount
Uses - Operations	
Salaries and Benefits	$8.6
Affordable Housing Services	$1.2
Rent	$0.6
Retiree Health and Pension Costs	$3.5
Auditing & Accounting Services	$0.6
Legal Services	$1.4
Planning & Infrastructure Rvw	$9.1
Asset Management	$0.2
Workforce Development Services	$0.5
Other Professional Services	$5.6
Grants to Community-Based Organizations	$0.5
Payments to other Public Agencies	$10.4
Other Current Expenses	$1.0
Subtotal CY Uses - Operations	**$43.2**
Uses - Non-Operations	
Affordable Housing Loans	$220.3
Development Infrastructure	$120.9
Pass-through to TJPA	$5.5
Debt Service - OCII Bonds	$109.8
Debt Service	$29.7
Fund Balance - Housing	$70.1
Fund Balance - Non-Housing	$11.1
Subtotal CY Uses - Non-Operations	**$567.4**
Prior Period Authority - Housing	$63.7
Prior Period Authority - Non-Housing	$70.7
Subtotal CY Prior Period Authority	**$134.4**
Total Budget Uses	**$745.0**

Budget: FY18-19 Highlights

- FY18-19 Budget of $745.0 is an increase of $208.2M or 38.8% from FY17-18 Budget of $536.8M
- Budget increase is due primarily to increased expenditure on Affordable Housing Loans funded by bond proceeds
- OCII proposes issuing $220.3M in new Affordable Housing Loans
- OCII proposes issuing 3 new bonds (Mission Bay Housing, SB197 Housing, and Mission Bay Infrastructure) for total of $144.1M (including COI)

Budget Process: FY18-19 Next Steps

- **5/1/18: Commission Action**
- **5/2/18: Mayor's Budget Office Submission**
- **6/1/18: Board of Supervisors Submission**
- **July 2018: Board of Supervisors Action**

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Questions & Comments

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Appendix

Budget Updates: Sources

Reduction in sources are due to recalculation of Transbay Housing Increment, COI, and reallocation of staffing costs related to bond issuance to COI (Millions)

	FY18-19 Workshop	FY18-19 Action	Difference
Property Tax Increment - TAB Debt Service	$58.7	$61.7	$3.0
Property Tax Increment - Mission Bay	$53.2	$53.2	$0.0
Property Tax Increment - Debt Portfolio	$2.0	$2.0	$0.0
Property Tax Increment - HPSY/CP	$0.0	$0.2	$0.2
Property Tax Increment - TJPA	$5.5	$5.5	$0.0
Property Tax Increment - Transbay	$7.1	$1.8	-$5.3
Property Tax Increment - Other	$5.0	$5.8	$0.8
Property Tax Increment - ACA	$5.1	$4.7	-$0.4
Subtotal CY Property Tax Increment	**$136.5**	**$134.8**	-$1.8
New Bonds - Housing	$103.0	$104.2	$1.2
New Bonds - Infra	$41.1	$39.2	-$1.9
Subtotal CY New Bonds	**$144.1**	**$143.4**	-$0.7
Developer Payments	$23.5	$23.5	$-
Subtotal CY Developer Payments	**$23.5**	**$23.5**	$-
Rent, Lease & Garage Revenue	$6.0	$6.0	$-
Payments from Other Gov Entities	$3.8	$3.8	$-
Hotel Tax	$6.0	$6.0	$-
Subtotal CY Other	**$15.8**	**$15.8**	$-
Fund Balance - Housing	$79.6	$79.6	$-
Fund Balance - Non-Housing	$18.7	$18.7	$-
Subtotal CY Fund Balance	**$98.3**	**$98.3**	$-
Prior Period Authority - Housing	$181.7	$181.5	-$0.1
Prior Period Authority - Non-Housing	$147.7	$147.7	$-
Subtotal CY Prior Period Authority	**$329.4**	**$329.2**	-$0.1
Total CY Sources	**$747.6**	**$745.0**	**-$2.6**

Budget Updates: Uses

Reduction in uses are due to a recalculation of the COI of new bonds and reclassification of professional services to reflect reallocation of services (Millions)

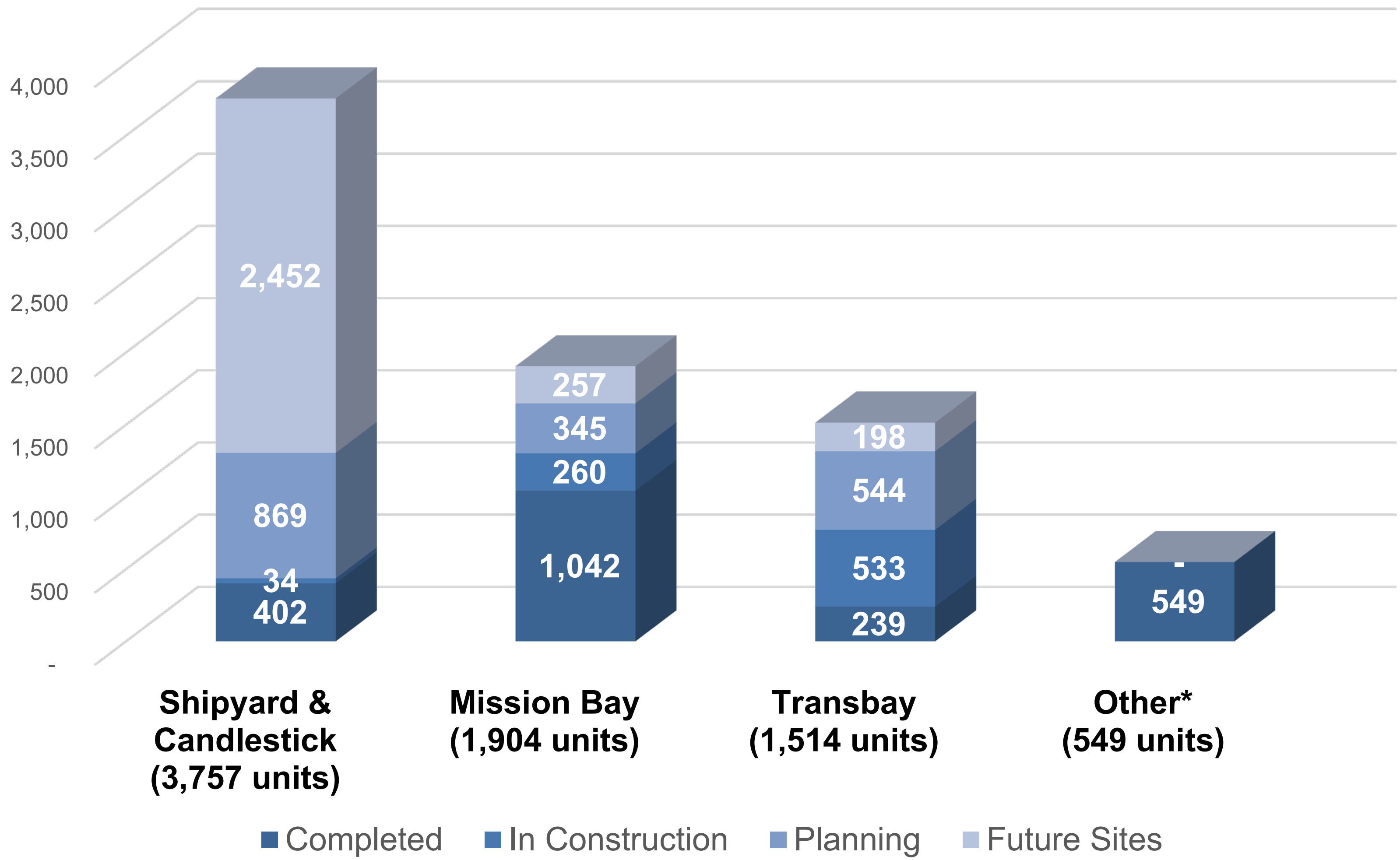
	FY18-19 Workshop	FY18-19 Action	Difference
Operational Salaries and Benefits	$8.6	$8.6	$-
Affordable Housing Services	$1.2	$1.2	$-
Rent	$0.6	$0.6	$-
Retiree Health and Pension Costs	$3.5	$3.5	$-
Auditing & Accounting Services	$0.6	$0.6	$-
Legal Services	$1.4	$1.4	$-
Planning & Infrastructure Rvw	$9.4	$9.1	-$0.3
Asset Management	$0.2	$0.2	$-
Workforce Development Services	$0.1	$0.5	$0.4
Other Professional Services	$5.8	$5.6	-$0.1
Grants to Community-Based Organizations	$0.5	$0.5	$-
Payments to other Public Agencies	$10.4	$10.4	$-
Other Current Expenses	$1.0	$1.0	$-
Subtotal CY Uses - Operations	**$43.3**	**$43.2**	-$0.0
Affordable Housing Loans	$220.3	$220.3	$-
Development Infrastructure	$120.9	$120.9	$-
Pass-through to TJPA	$5.5	$5.5	$-
Debt Service - OCII TAB Bonds	$109.8	$109.8	$-
Other Debt	$30.6	$29.7	-$0.9
Fund Balance - Housing	$71.8	$70.1	-$1.7
Fund Balance - Non-Housing	$11.1	$11.1	$-
Subtotal CY Uses - Non-Operations	**$569.9**	**$567.3**	-$2.6
Prior Period Authority - Housing	$63.7	$63.7	$-
Prior Period Authority - Non-Housing	$70.7	$70.7	$-
Subtotal CY Prior Period Authority	**$134.4**	**$134.4**	$-
Total Budget Uses	**$747.6**	**$745.0**	-$2.6

Budget Updates: FY18-19 Action SxU by Cost Center

	Operations	Debt	HPS / CP	MBN	MBS	TBY	YBC	YBG	Other	*Total*
Sources										
Property Tax	$8.6	$111.7	$1.2	$3.6	$3.2	$6.1	$ -	$ -	$0.4	***$134.8***
New Bonds	$ -	$15.4	$23.7	$ -	$104.4	$ -	$ -	$ -	$ -	***$143.4***
Developer Payments	$ -	$ -	$17.5	$0.3	$4.1	$1.4	$ -	$ -	$0.1	***$23.5***
Other	$ -	$10.3	$0.5	$ -	$ -	$ -	$ -	$ -	$5.0	***$15.8***
Fund Balance	$ -	$2.4	$7.3	$ -	$3.5	$79.8	$0.0	$5.0	$0.3	***$98.3***
Prior Period Authority	$ -	$ -	$128.8	$14.4	$129.6	$36.8	$7.8	$ -	$11.8	***$329.2***
Total Sources	**$8.6**	**$139.8**	**$179.0**	**$18.3**	**$244.7**	**$124.2**	**$7.8**	**$5.0**	**$17.6**	***$745.0***
Uses										
Operations	$8.6	$0.3	$17.9	$0.3	$2.3	$3.3	$ -	$5.0	$5.5	***$43.2***
Non-Operations	$ -	$139.5	$129.1	$5.2	$197.9	$85.7	$ -	$ -	$10.0	***$567.4***
Prior Period Authority	$ -	$ -	$31.9	$12.9	$44.5	$35.2	$7.8	$ -	$2.1	***$134.4***
Total Uses	**$8.6**	**$139.8**	**$179.0**	**$18.3**	**$244.7**	**$124.2**	**$7.8**	**$5.0**	**$17.6**	***$745.0***

Affordable Housing Updates

Total of 7,724 housing units in FY18-19 Affordable Housing pipeline



** Projects in Bayview Hunters Point, Rincon Point-South Beach, South of Market, or Western Addition A-2*

Budget Updates: Sources YOY

	FY17-18 Budgeted	FY18-19 Proposed	YOY Difference	Percent Change
Property Tax	$ 124.6	$ 134.8	$ 10.2	8.2%
New Bonds	$ -	$ 143.4	$ 143.4	-
Developer Payments	$ 31.0	$ 23.5	$ (7.6)	-24.4%
Other	$ 20.0	$ 15.8	$ (4.2)	-21.0%
Fund Balance	$ 173.8	$ 98.3	$ (75.5)	-43.4%
Prior Period Authority	$ 187.4	$ 329.2	$ 141.8	75.7%
Total Sources	**$ 536.8**	**$ 745.0**	**$ 208.2**	**38.8%**

Budget Updates: Uses YOY

	FY17-18 Budgeted	FY18-19 Proposed	YOY Difference	Percent Change
Operations	$ 78.0	$ 43.2	$ (34.7)	58.3%
Non-Operations	$ 358.3	$ 567.4	$ 209.0	58.3%
Prior Period Authority	$ 100.5	$ 134.4	$ 33.9	33.7%
Total Sources	**$ 536.8**	**$ 745.0**	**$ 208.2**	**38.8%**