

OCII Commission

Recognized Obligation Payment Schedule Amendment

ROPS 18-19

July 1, 2018 – June 30, 2019

January 16, 2018



ROPS Background

ROPS 18-19 July 1, 2018 – June 30, 2019

- AB26
 - Required Successor Agencies to create Recognized Obligation Payment Schedule (ROPS), payments required by “enforceable obligations”
- SB107
 - 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”

ROPS 18-19 Schedule

- **1/8:** ROPS Oversight Board Workshop
- **1/16:** ROPS Commission Workshop
- **1/22:** ROPS Oversight Board Approval Action
- **2/1:** ROPS Submission to DOF

Organization of ROPS

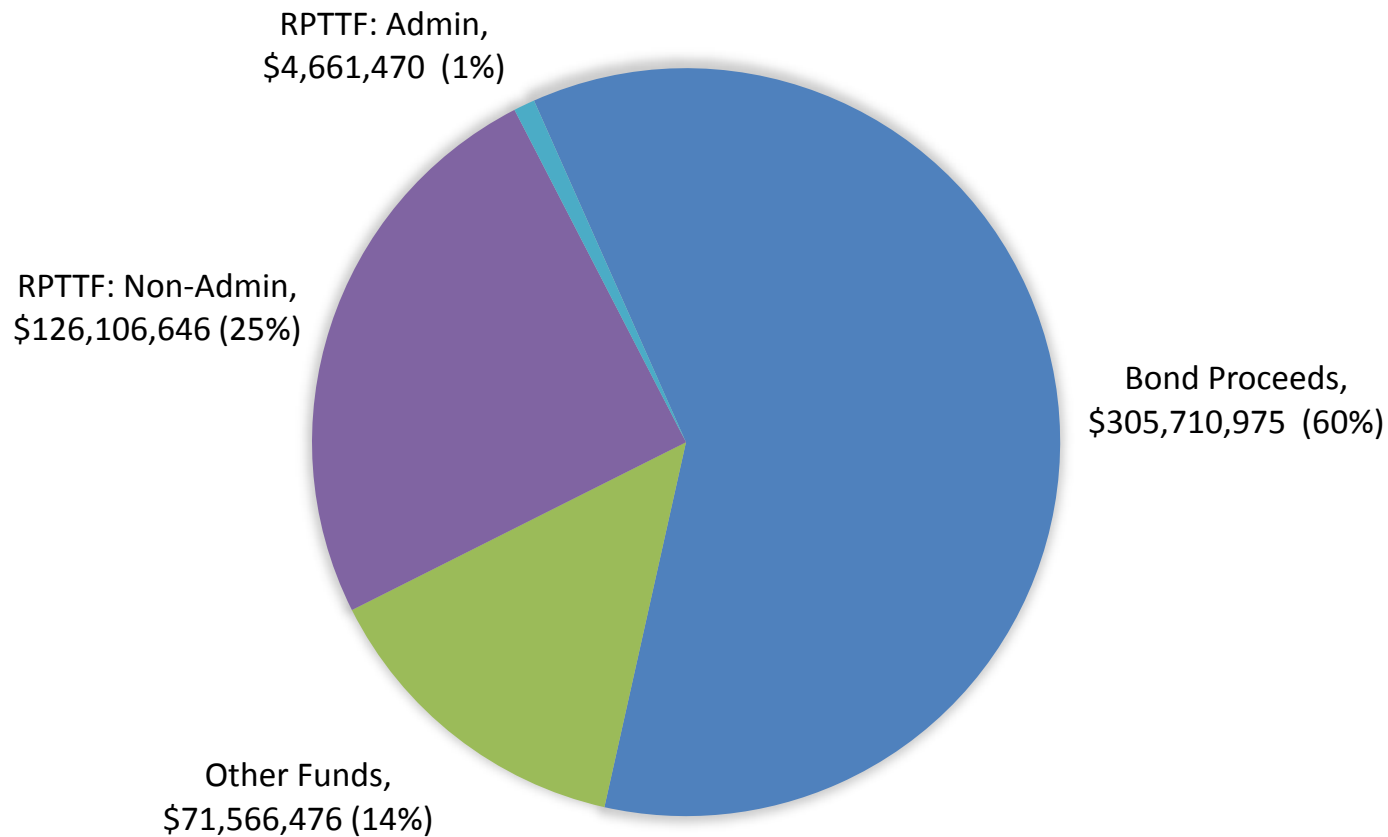
- Admin/Agency-wide
- Non-Housing Obligations by Project Area
- Housing Obligations by Project Area
- Rincon Point – South Beach (including Harbor)
- Bonds by Project Area
- New Items

Funding Sources

- **Bond Proceeds:** Includes Prior & Anticipated
- **Reserve Balances:** Prior RPTTF, DDR Balances
- **Other:** Developer Payments, Grants, etc.
- **RPTTF-Non-Admin:** Redev. Prop. Tax Trust Fund to fund enforceable obligations
- **RPTTF-Admin:** Admin Cost Allow.; Max. 3% of prior year's ROPS
RPTTF distribution less prior year's RPTTF-Admin less Prior Period Adjustment

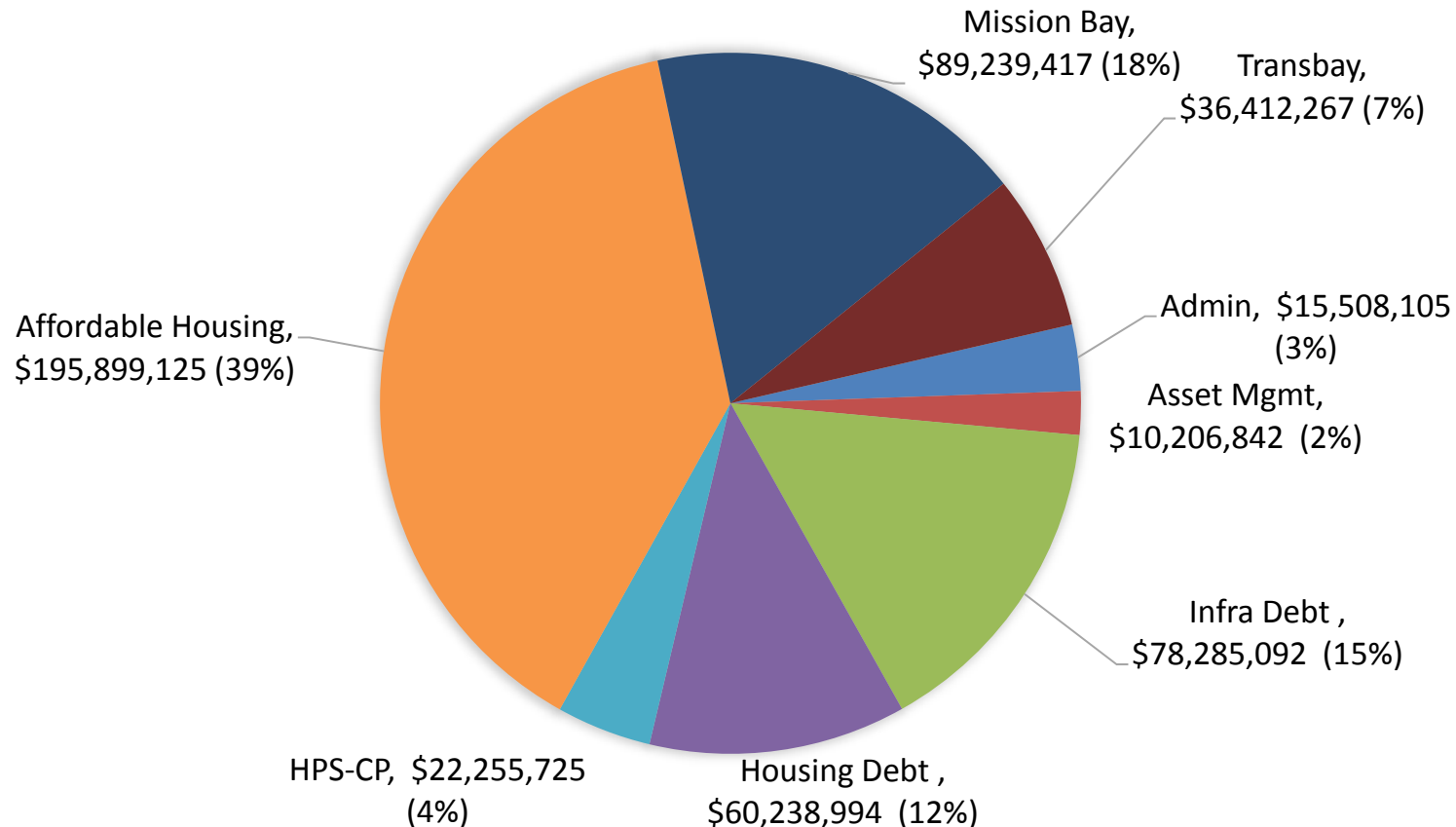
Proposed ROPS Sources: \$508.1M

Primary Sources: Bond Proceeds & RPTTF Non-Admin



Proposed ROPS Uses: \$508.1M

Primary Uses: Affordable Housing & Debt Related Payments



Note: \$1.4M in Admin cost is funded from pledged amounts that are tracked in the project area generating the pledge and amounts related to direct asset management

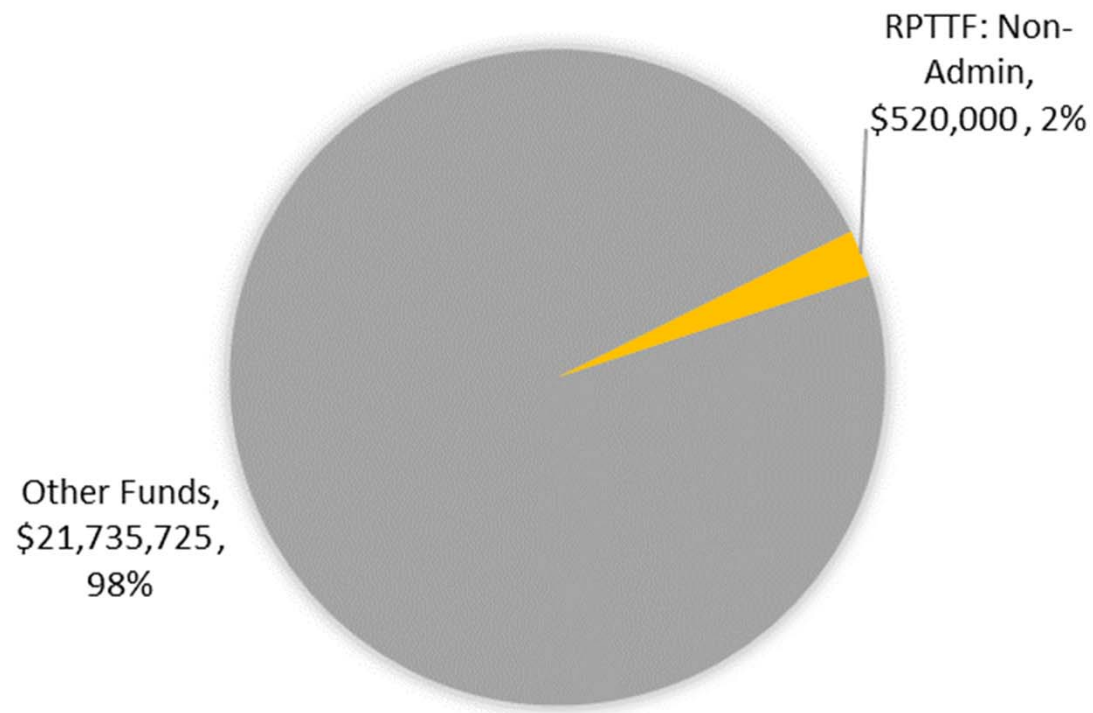
OCII 18-19 HPS/CP

Work Program

- Completing and opening public parks and open space in HPS Phase 1
- Planning and building infrastructure in HPS Phase 2
- Planning, building, and completing infrastructure in Candlestick Point
- Approving designs for vertical development in Candlestick Point
- Expending federal Economic Development Administration grant to stabilize and improve Building #101
- Implementing the HPS/CP DDAs' Community Benefits Agreements
- Acquiring land in Candlestick Point for development

OCII 18-19 HPS/CP - \$22.3M

Other is Primary Funding Source



Note: Does not include Affordable Housing

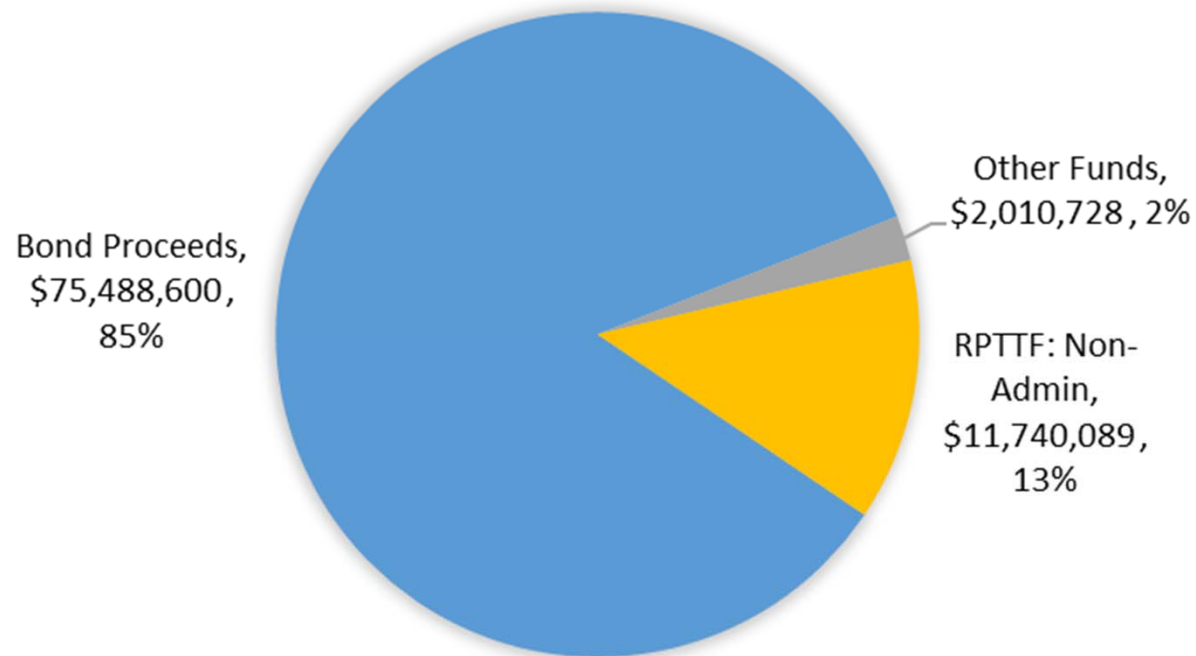
OCII 18-19 Mission Bay

Work Program

- Reimbursing FOCIL-MB for infrastructure in Mission Bay North and South (line 84 and 87)
- Implementing Art Program (line 91)
- Obtaining professional services to implement the Owner Participation Agreements (lines 89 and 90)

OCII 18-19 Mission Bay - \$89.2M

Bond Proceeds are Primary Funding Source



Note: Does not include Affordable Housing

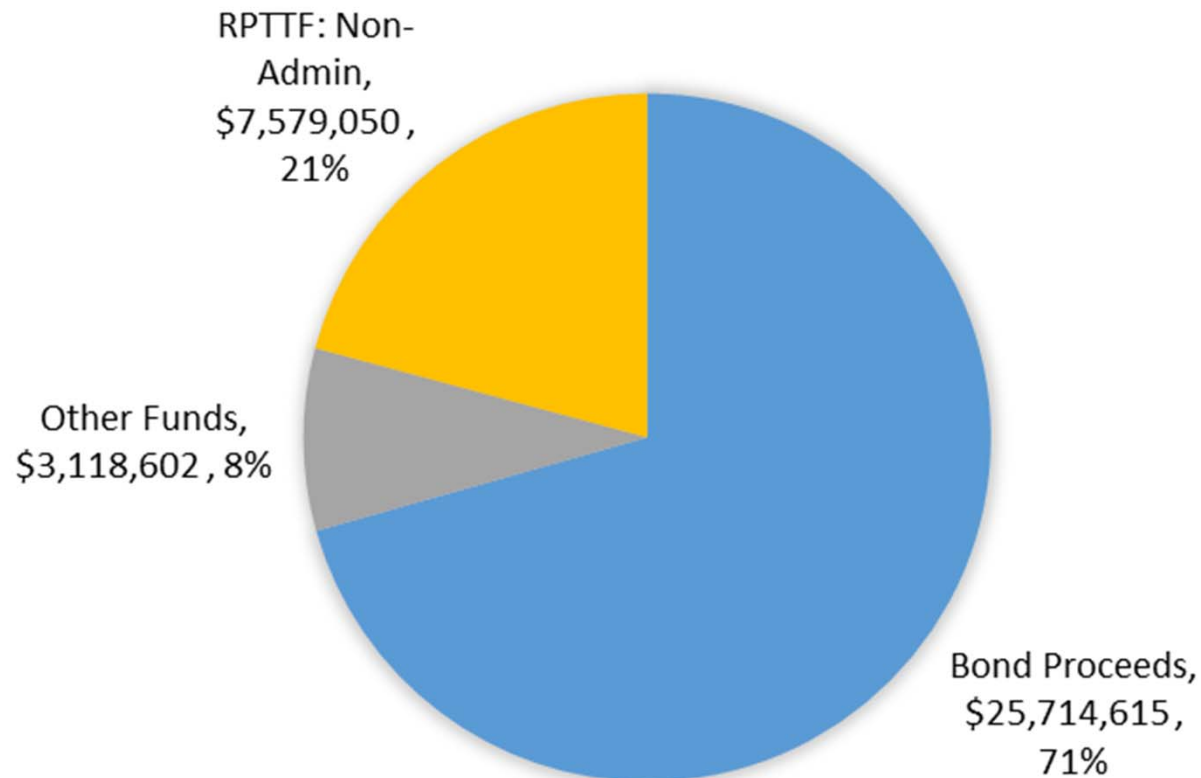
OCII 18-19 Transbay

Work Program

- Monitoring construction for Folsom Street and designing Under-ramp Park (line 101)
- Tracking and transferring to the Transbay Joint Powers Authority (TJPA) pledged property tax generated by parcels sold by OCII on behalf of the TJPA (line 102)
- Completing construction of Folsom Streetscape, Transbay Park design, and reimbursing developers for Blocks 5 & 6 Streetscape (line 107, 424)
- Obtaining professional services to support enforceable obligations (lines 109, 115, 422, 423)
- Project managing Under-ramp Park (line 391)
- Negotiating Block 4 Developer and Disposition Agreement and completing design for market rate and affordable housing (a portion of line 411)

OCII 18-19 Transbay – \$36.4M

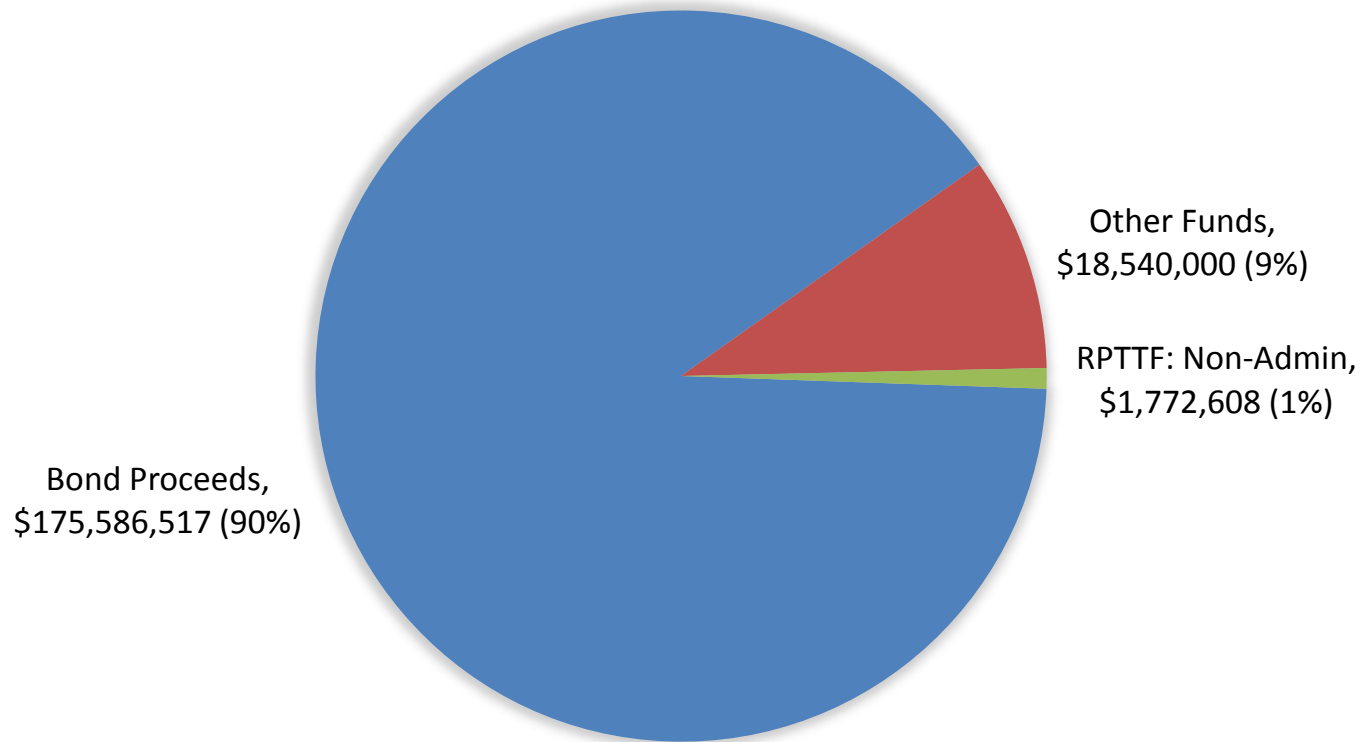
Bond Proceeds are Primary Funding Source



Note: Does not include Affordable Housing

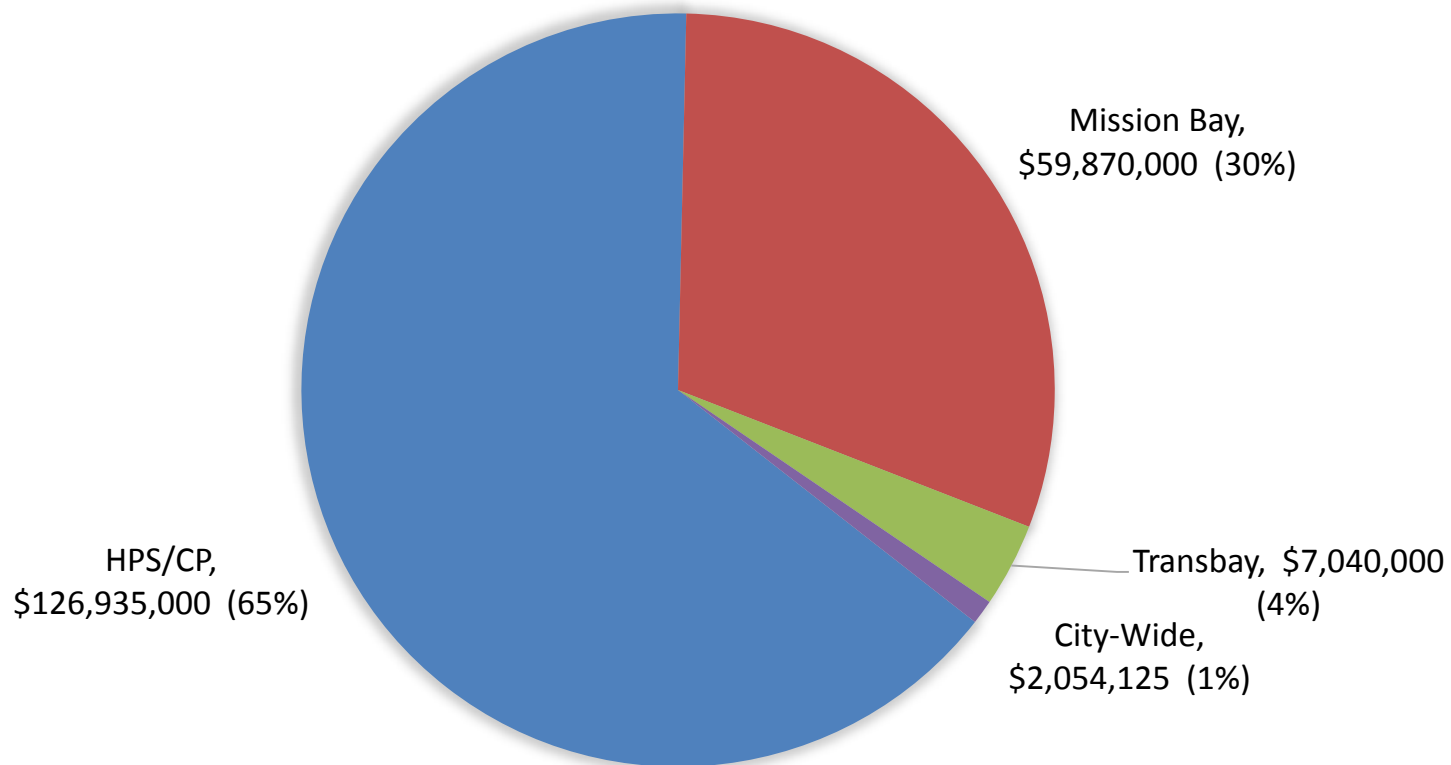
OCII 18-19 Affordable Housing - \$195.8M

Affordable Housing Funded Primarily by Bond Proceeds



OCII 18-19 Affordable Housing - \$195.8M

Affordable Housing Dollars Primarily Spent in HPS/CP & Mission Bay



OCII 18-19 Affordable Housing

Hunters Point Shipyard / Candlestick Point

Project	Type	ROPS Line	Amount	Number of Units
Alice Griffith Phase 5 & 6	Predevelopment Financing	line 161	\$7.0M	36 units & 131 units
Hunters Point Shipyard Blocks 52/54	Predevelopment Financing	line 395	\$4.0M	100 units
Candlestick Point Block 10a	Construction Financing	line 403	\$52.9M	156 rental units
Candlestick Point Block 11a	Predevelopment and Construction Financing	line 404	\$59.5M	176 rental units
Hunters Point Shipyard Block 56	Predevelopment Financing	line 420	\$3.5M	43 units
HPS/CP Total			\$126.9M	542 units

OCII 18-19 Affordable Housing

Mission Bay

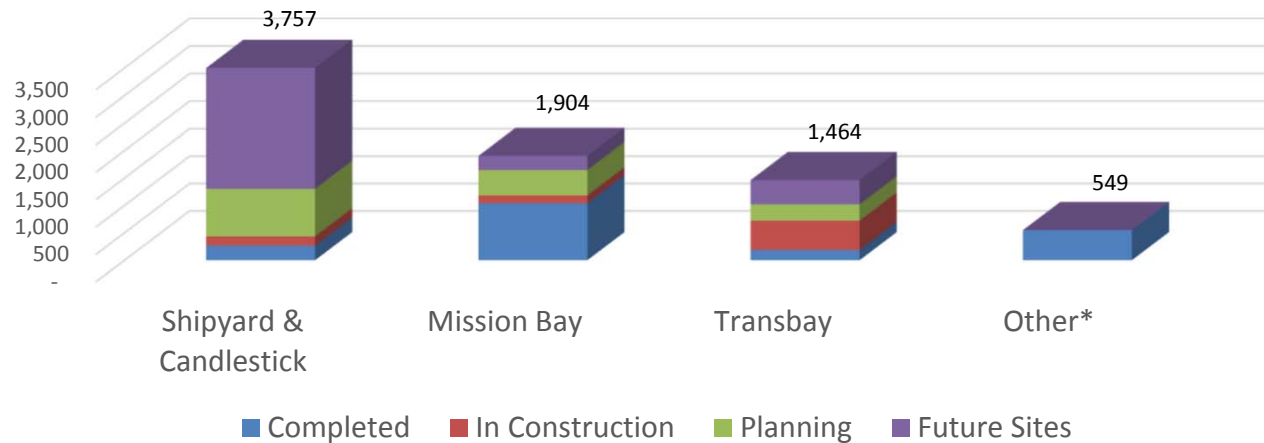
Project	Type	ROPS Line	Amount	Number of Units
Mission Bay South 6 West	Construction Financing	line 405	\$53.1M	143 units
Mission Bay South 9	Predevelopment Financing	line 417	\$3.3M	141 units
Mission Bay South 9A	Predevelopment Financing	line 419	\$3.5M	93 units
Mission Bay Total			\$59.9M	377 units

OCII 18-19 Affordable Housing

Transbay

Project	Type	ROPS Line	Amount	Number of Units
Transbay Block 2 West	Predevelopment Financing	line 413	\$3.5M	78 units
Transbay Block 2 East	Predevelopment Financing	line 416	\$3.5M	169 units
Transbay Total			\$7.0M	247 units

OCII 18-19 Affordable Housing



Shipyard / Candlestick

- Alice Griffith 1-3: Transfer Asset
- Alice Griffith 4: In Construction
- Alice Griffith 5-6: Predevelopment
- Block 52/54: Predevelopment
- Block 10A: Predevelopment
- Block 11A: Predevelopment
- Block 56: Issue RFP

Mission Bay

- MBS Block 7 West: Transfer Asset
- MBS Block 6 East: In Construction
- MBS Block 3 East: In Construction
- MBS Block 6 West: Predevelopment
- MBS Block 9: Predevelopment
- MBN Block 9a: Issue RFP

Transbay

- Block 7: In Construction
- Block 1: In Construction
- Block 8: In Construction
- Block 9: In Construction
- Block 4: Developer Negotiations
- Block 2E&W: Issue RFP

OCII 18-19 Asset Management

Work Program

- Managing on-going development obligations outside of major approved development projects
- Implementing Long-Range Property Management Plan
 - Yerba Buena Center
 - India Basin
 - Western Addition
 - Hunters Point & Bayview Hunters Point
 - South of Market
 - Golden Gateway

OCII 18-19 Asset Management

- **Yerba Buena Gardens**
 - Post-transfer activities for anticipated YBG lease revenues and one-time payments from developers and insurance claims that would subsequently be transferred to City as property owner
 - Single audit for YBG close-out, pursuant to CDBG requirements
- **Rincon Point - South Beach**
 - Harbor revenues fund operating costs, CalBoating loan debt service, and 6 lease payments
 - CalBoating loan is key issue delaying SBH transfer
 - Total owed for CalBoating loan is \$6.4M and final year of repayment is FY 2036-37
 - Multiple options to expedite the process

Contract Compliance

FY 16-17 Accomplishments

Expenditure captured in line 411 Enforceable Obligation Support.

Small Business Enterprise (SBE) Highlights

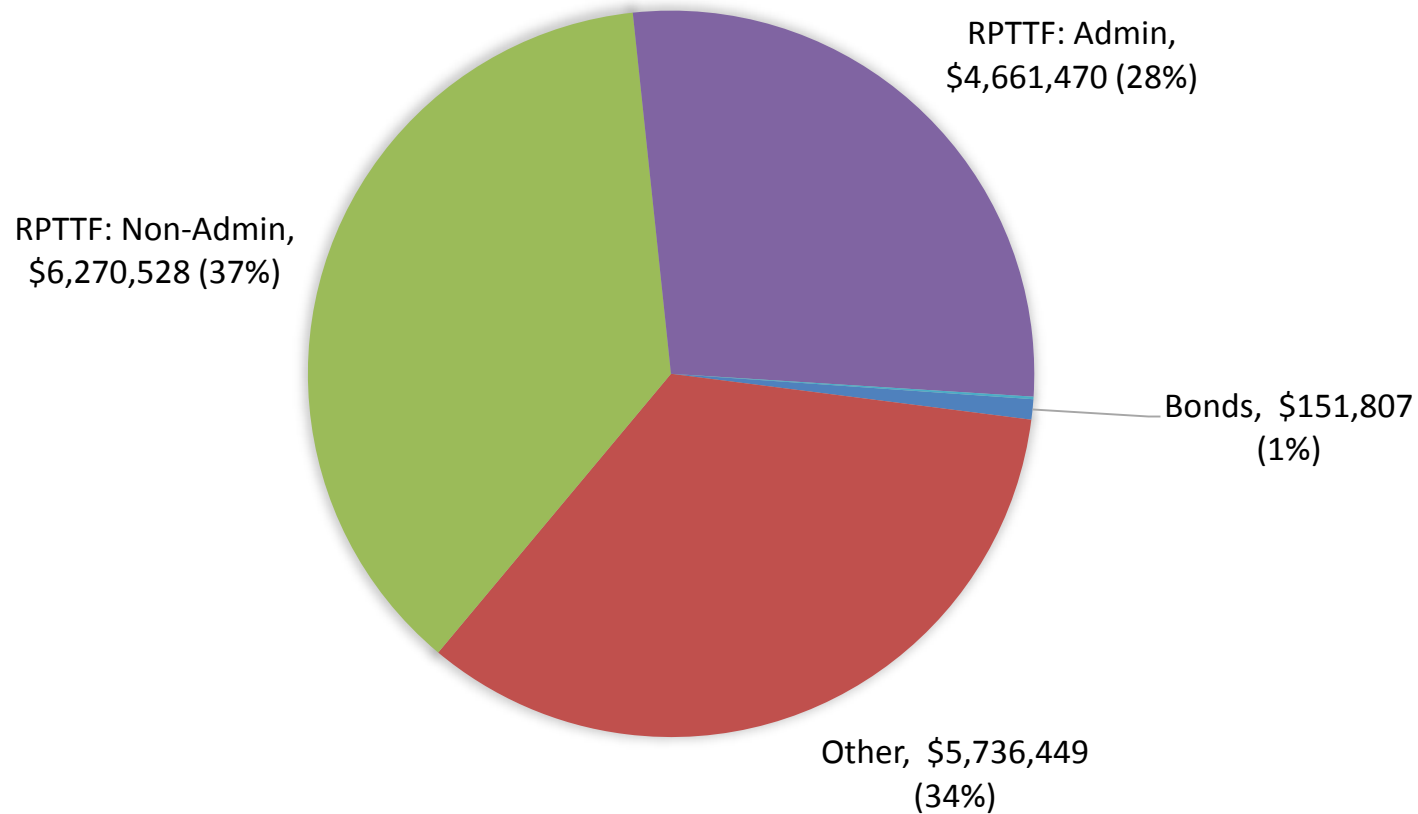
- \$1.1 billion in contracts awarded under OCII's oversight
- 74% (\$10 million) professional services contracts awarded to SBEs
- 27% (\$297 million) construction contracts awarded to SBEs

Construction Workforce Highlights

- 10,079 workers performed over 2.4 million hours in projects monitored by OCII
- 1,664 San Francisco residents performed over 532,130 hours (22%)

Operating Budget Sources: \$16.9M

RPTTF: Non-Admin & Other Primary Sources



Note: Combines all funding sources, including pledged funding sources

Operating Budget Uses: \$16.9M

Operating Budget	
Labor	\$9.0M
MOU with City Departments	\$2.3M
Non-Labor	\$1.6M
Total	\$12.9M

Total Cost of Operating OCII	
Operating Cost	\$12.9M
Pension Liability	\$1.3M
Retiree Healthcare Liability	\$2.7M
Total	\$16.9M

50 Full Time Permanent FTE: 47 OCII staff + 3 contracted from ADM

Total Sources: 17-18 v. 18-19

Bond Proceeds Remain Largest Source and RPTTF Significantly Smaller Source

Sources	ROPS 17-18	ROPS 18-19	Difference	% Change
Bonds	\$233,891,445	\$305,710,975	\$71,819,530	31%
Reserve	\$0	\$0	\$0	
Other	\$110,511,008	\$71,566,476	(\$38,944,532)	-35%
RPTTF: Admin	\$168,846,616	\$126,106,646	(\$42,739,970)	-25%
RPTTF: Non-Admin	\$3,591,338	\$4,661,470	\$1,070,132	30%
Total	\$516,840,407	\$508,045,566	(\$8,794,841)	-2%

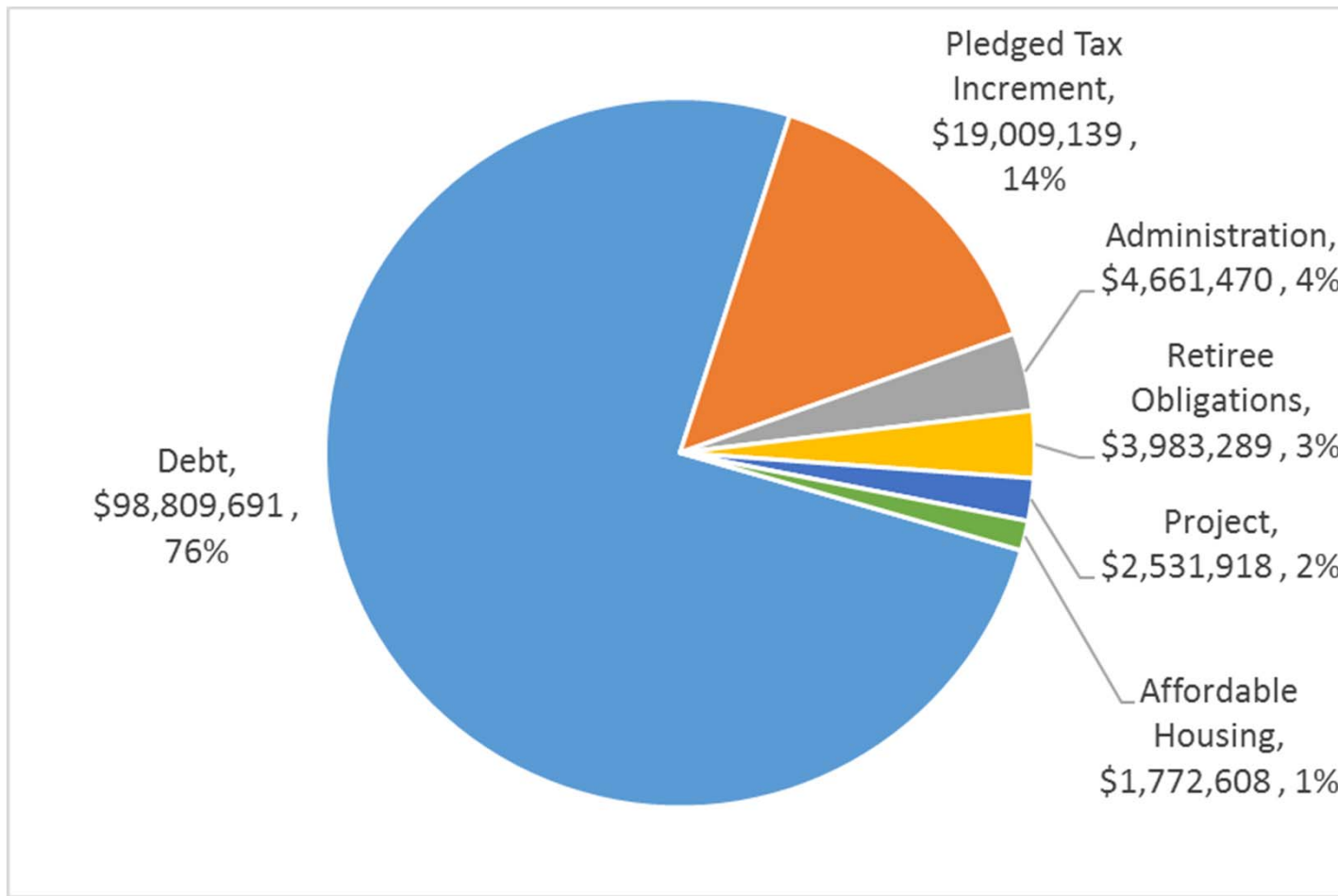
Total Uses: 17-18 v. 18-19

Debt Service Remains Largest Use and Housing Use is Increasing

Uses	ROPS 17-18	ROPS 18-19	Difference	% Change
Admin	\$15,541,788	\$15,508,105	(\$33,683)	0%
Asset Mgmt	\$46,306,022	\$10,206,842	(\$36,099,180)	-78%
Debt Service	\$179,298,085	\$138,524,085	(\$40,774,000)	-23%
HPS-CP	\$35,925,000	\$22,255,725	(\$13,669,275)	-38%
Housing	\$86,237,383	\$195,899,125	\$109,661,742	127%
Mission Bay	\$109,893,850	\$89,239,417	(\$20,654,433)	-19%
Transbay	\$43,638,279	\$36,412,267	(\$7,226,012)	-17%
Total	\$516,840,407	\$508,045,566	(\$8,794,841)	-2%

18-19 RPTTF Request - \$130.8M

Primary Use is Debt Service



18-19 RPTTF Request - \$130.8M

RPTTF Request Significantly Lower Due to Decline in Debt Service

Uses	ROPS 17-18	ROPS 18-19	Difference	% Change
Debt	\$162,059,474	\$98,809,691	\$(63,249,783)	-39%
Pledged Tax Increment	\$ 24,701,785	\$19,009,139	\$(5,692,646)	-23%
Administration	\$3,591,338	\$4,661,470	\$1,070,132	30%
Retiree Obligations	\$3,257,877	\$3,983,289	\$725,412	22%
Project	\$2,728,329	\$2,531,918	\$(196,411)	-7%
Affordable Housing	\$2,635,108	\$1,772,608	\$(862,500)	-33%
Total	\$198,973,911	\$130,768,116	\$(68,205,795)	

Next Steps

- **1/22:** ROPS Oversight Board Approval Action
- **2/1:** ROPS Submission to DOF

ROPS 18-19

Questions?