Office of Community Investment and Infrastructure

FY 2026-27 Budget Action

April 21, 2026

OCII

Budget: FY26-27 Process

- 1/12/26 Oversight Board ROPS Workshop
- 1/20/26 Commission ROPS Workshop
- 1/26/26 Oversight Board ROPS Action
- 4/7/26 Commission Budget Workshop
- 4/15/26 DOF Decision on ROPS
- 4/21/26 Commission Budget Action
- May 2026 Mayor’s Budget Office Submission
- June 2026 Board of Supervisors Submission

Budget: FY26-27 Summary

	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Debt Service/Non-Projects	Total	Percent
Property Tax	$0.6	$34.0	$1.6	$138.6	$174.8	25.8%
Bonds	$167.3	$59.6	$0.0	$20.0	$246.9	36.5%
Developer Payments	$0.3	$0.1	$9.8	$0.1	$10.2	1.5%
Other Funds	$0.0	$0.0	$0.4	$0.5	$0.9	0.1%
Fund Balance	$130.5	$12.5	$7.1	$11.3	$161.4	23.9%
Prior Period Authority	$4.5	$57.3	$20.5	$0.0	$82.2	12.2%
Total	**$303.2**	**$163.5**	**$39.3**	**$170.4**	**$676.4**	**100.0%**

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

**Numbers are slightly off due to rounding.*

OCII Budget 26-27: Planned Debt Issuances

Budget Line Name	Project Area	Project Details	Total principal*	Project Fund *	FY 26-27 Debt Service**
Tax Allocation Bond Series 2026 Third Lien	Transbay	East Cut Sports and Dog Park (Under Ramp Park)	$75,390,000	$50,000,000	$8,600,000
Tax Allocation Bond Series 2027 Third Lien	Affordable Housing - CP	Affordable housing adjacent infrastructure in Candlestick	$86,000,000	$61,200,000	$8,000,000
Tax Allocation Bond Series 2026 Mission Bay South	Mission Bay South	Developer reimbursements for P3, P2/P8, P19, P22, Storm Water Pump Station #3, Bridgeview Way, Blocks 29-34	$48,000,000	$40,000,000	$4,300,000
Tax Allocation Bond Series 2027 Replacement Housing	Replacement Housing	Mission Bay South 4E Phase 2 affordable housing project; MOHCD pipeline project(s)	$189,000,000	$135,000,000	$21,600,000
			$398,390,000	**$286,200,000**	**$42,500,000**

Difference between project fund and total principal is due to the following assumptions: 2% Cost of Issuance, 10% Debt Service Reserve, 25% Contingency

*****Assumes 5%-9% rate over 10-20 years (depends on tax status and credit type)***

Budget: YOY Sources

Sources	PY Amount ($M)	CY Amount ($M)	YOY Change	Percent Change	Explanation
Property Tax	$136.9	$174.8	$37.9	27.7%	Increase due to debt service for new bonds
Bonds	$133.3	$246.9	$113.6	85.2%	Current year bonds reflect cost of issuance for new bonds and funding for infrastructure and replacement housing projects with new bonds
Developer Payments	$10.3	$10.2	($0.1)	-0.6%	Slight decrease in developer reimbursements in project areas.
Other Funds	$0.9	$0.9	($0.0)	0.0%	No change.
Fund Balance	$68.1	$161.4	$93.3	137.0%	Increase due to programming funds on hand for affordable housing loans.
Prior Period Authority*	$272.7	$82.2	($190.5)	-69.9%	Decrease due to continued spending down on affordable housing loans in HPSCP and TBY initiated in prior years and on MBS infrastructure reimbursements from prior year funds; decrease due to delay in Transbay park schedule.
Total Sources	**$622.2**	**$676.4**	**$54.2**	**8.7%**	

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

**Numbers are slightly off due to rounding.*

Budget: YOY Uses

Uses	PY Amount ($M)	CY Amount ($M)	YOY Change	Percent Change	Explanation
Direct Program Spending					
Affordable Housing	$293.2	$164.4	($128.8)	-43.9%	Decrease due to continued spending on existing loans.
Replacement Housing	$0.0	$148.8	$148.8	N/A - prior year value was zero	Increase due to debt service and programming project funds from bond issuance for Mission Bay 4e Phase 2 and replacement housing project loans
Infrastructure & Other Non-Housing	$189.5	$161.9	($27.6)	-14.6%	Decrease due to delay in Transbay infrastructure pipeline.
Project Management & Operations	$20.0	$20.8	$0.8	4.1%	Increase due to COLA from existing MOAs and healthcare and pension costs.
Community Development & Workforce	$1.5	$1.4	($0.1)	-9.3%	Decrease due to spend down of community benefits funds.
Direct Programmatic Subtotal	**$504.1**	**$497.3**	**($6.8)**	**-1.3%**	
Indirect Program Spending					
Debt	$85.8	$146.7	$60.9	70.9%	Planned increase in debt service schedule and debt service for new bonds.
Pass-through to TJPA	$32.0	$32.0	$0.0	0.0%	No change
Other	$0.4	$0.4	($0.0)	0.0%	No change
Indirect Programmatic Subtotal	**$118.2**	**$179.1**	**$60.9**	**51.5%**	
Total	**$622.2**	**$676.4**	**$54.2**	**8.7%**	

**Numbers are slightly off due to rounding.*

Operations: YOY

YOY increase is due to COLA per MOAs, and an increase in retiree health and pension costs per actuarial liability schedule

	PY Amount ($M)	CY Amount ($M)	YOY Change	% Change	Explanation
Sources					
Bond Proceeds	$1.0	$0.9	($0.1)	-10.0%	Slight decrease in use of bond proceeds for staff time on eligible bond funded projects.
Reserve Funds	$1.2	$0.6	($0.6)	-50.0%	Decrease due to spend down of available Reserve funds for staff time.
Other Funds	$6.9	$7.7	$0.8	11.6%	Increase due to use of Other funds on staff time in current year.
Property Tax	$10.8	$12.0	$1.2	11.1%	Increase due to retiree healthcare and pension costs and spend down of Reserve in Prior Year that is no longer available in FY 26-27.
Total	**$20.0**	**$21.2**	**$1.2**	**6.0%**	
Uses					
Salaries and Benefits	$10.2	$11.5	$1.3	12.7%	Increase due to COLA and increased benefit costs.
Non-Labor	$5.6	$5.2	($0.4)	-7.1%	Decrease due to rightsizing costs based on prior year actuals.
Retiree Health and Pension	$4.2	$4.5	$0.3	7.1%	Increase in healthcare and pension costs per actuarial liability schedule.
Total	**$20.0**	**$21.2**	**$1.2**	**6.0%**	

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Total	**$303.2**	**$163.5**	**$39.3**	**$170.4**	**$676.4**	**100.0%**

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Office of Community Investment and Infrastructure

APPROVING A BUDGET FOR THE PERIOD JULY 1, 2026, THROUGH JUNE 30, 2027, AND
AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET AND INTERIM BUDGET TO THE MAYOR’S OFFICE AND THE BOARD OF SUPERVISORS

Budget: FY26-27

Questions?

Budget: FY26-27

Appendix

Annual Financial Planning/Budgeting Process

- Annual financial planning/budgeting process begins with Recognized Obligation Payment Schedule ("ROPS") in August the prior year.
- City's interest is Property Tax Increment ("PTI"). PTI is ~25% of OCII's budget.
- Prioritization by sources: bond proceeds, other funds, then PTI. Each has restrictions.
- Each multi-year budget has an underlying contract or agreement (enforceable obligation).
- The vast majority of PTI is funding mandatory obligations (ie; debt service, retiree obligations, etc).
- Before every City PTI distribution in June and January, we work with CON to take only what is needed for our discretionary expenditures (ie; vacant staff positions are not funded).
  - Bi-Annual Five Year PTI Plan reconciliation:
    - OCII works with CON on a Five Year PTI draw schedule.
  - Annual year end close reconciliation:
    - CON and State Department of Finance ("DOF") audit OCII expenditures
    - Reduces subsequent expenditure authority by unspent balances

Financial Planning: OCII ROPS & Budget

- Redevelopment Dissolution Law requires successor agencies to annually create a ROPS.

- ROPS includes: contract begin and end dates, payee, description and project scope, total outstanding debt/obligation, and type of funds.

- ROPS is reviewed by the Commission, approved by the Oversight Board by resolution, then approved by DOF.

- ROPS actual expenditures are reviewed and reconciled by the Controller's Office then submitted to DOF for approval through the PPA or Prior Period Authority process.

- ROPS and Budget are consistent to prevent discrepancies or audit issues.

- Very limited ability for ROPS changes.
    - Any ROPS Amendment is due October and can only apply to the 2nd half of the FY.

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Five Year Financial Plan to CON

OCII provides five-year financial plan for OCII's PTI draw twice a year to CON as part of City financial planning process.

	25-26			26-27			27-28			28-29			29-30		
	Total	**Unpledged**	**Pledged**	**Total**	**Unpledged**	**Pledged**	**Total**	**Unpledged**	**Pledged**	**Total**	**Unpledged**	**Pledged**	**Total**	**Unpledged**	**Pledged**
Fall 2025	$130.1	$64.4	$65.8	$180.0	$104.0	$76.0	$216.1	$140.9	$75.2	$224.3	$147.9	$76.3	$232.2	$149.1	$83.1
Spring 2026	$121.9	$63.1	$58.8	$162.8	$90.4	$72.5	$221.1	$145.8	$75.4	$229.0	$152.5	$76.5	$237.1	$152.4	$84.7
Difference	($8.2)	($1.3)	($7.0)	($17.2)	($13.6)	($3.5)	$5.1	$4.8	$0.2	$4.7	$4.5	$0.2	$4.9	$3.3	$1.6
	25-26			**26-27**			**27-28**			**28-29**			**29-30**		
	Total			**Total**			**Total**			**Total**			**Total**		
Replacement Housing from Residual- Fall 2025	$1.1			$14.7			$31.0			$44.1			$44.2		
Replacement Housing from Residual - Spring 2026	$1.1			$15.2			$41.4			$41.4			$41.5		
Difference	$0.0			$0.5			$10.4			-$2.7			-$2.7		

Last updated: March 2026

- Pledged PTI is a fixed expenditure in budget.
- Unpledged PTI is for unpledged enforceable obligations (ie; Transbay and HPS Phase 1).
- Explanation for changes are provided for each fiscal year.
- OCII/CON in regular coordination on short term and forward looking needs.