OCII Commission

Recognized Obligation Payment Schedule Amendment

January 1, 2018 – June 30, 2018

17-18 ROPS

September 19, 2017

ROPS Background

ROPS 17-18 Amendment
January 1, 2018 – June 30, 2018

- 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”
  - Required DOF to approve/deny ROPS amendments 15 days prior to February 1 distribution
  - Allowed amendment of approved ROPS prior to October 1 of each year

ROPS 17-18 Schedule

- 2/1 ROPS 17-18 submission to DOF
- 5/17 ROPS 17-18 approved by DOF
  FY 17-18 Budget submitted to Mayor
- 7/17 FY17-18 Budget approved by BOS
- 9/8 ROPS 17-18 Amendment approved by Oversight Board
- 9/19 ROPS 17-18 Amendment presentation to Commission
- 9/30 ROPS 17-18 Amendment 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

ROPS 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
- **RPTTF-Admin**: Admin Cost Allow; Max. 3% of PRIOR year's ROPS RPTTF distribution

17-18 ROPS Amendment

Increases are within existing budget authority due to timing of ROPS and budget submissions and fungiability within project area

Source	DOF Approved 17-18 ROPS	17-18 ROPS Amendment	Difference
Bond Proceeds	$212.9M	***$233.9M***	$21.0M
Reserve Balance	$0.0M	***$0.0M***	$0.0M
Other Funds	$106.1M	***$110.5M***	$4.4M
Property Tax	$142.3M	***$198.9M***	$56.6M
Total	**$461.3M**	***$543.3M***	**$82.0M**

RPTTF increases do not impact 2018 property tax distribution

Bond Proceeds: $21.0M Increase

Description of Change	Amount
Use of cash reserve bond funds in proposed 2017D and 2017E refundings	$12.2M
Increase in construction costs estimates for Folsom Streetscape	$5.9M
Consideration of modular design in MBS Block 9	$1.5M
Use of Bond Proceeds to fund debt service payments for 2016D	$0.9M
Payment of cost of issuance for 2017D and 2017E	$0.5M
Total Increase in Bond Proceeds	**$21.0M**

Other Funds: $4.4M Increase

Description of Change	Amount
Increased expenditure on professional services at Hunters Point Shipyard/Candlestick Point	$2.3M
Increased expenditure for South Beach Harbor	$2.1M
Total Increase in Other Funds	**$4.4M**

RPTTF: $56.6M Increase

Description of Change	Amount
Timing change for debt service for 2017D and 2017E	$28.4M
Debt service for refunding bonds 2017D and 2017E	$20.0M
Pledged Property Tax increase in Transbay State-Owned Parcels	$8.2M
Total Increase in RPTTF	**$56.6M**

Impact of RPTTF Non-Admin Changes

Description of Change	Impact to Distribution	RPTTF Request	Taxing Entity Impact
Timing change for debt service for 2017D and 2017E	Timing impact only. Decreases June 2017 distribution. Increases January 2018 distribution.	$28.4M	$0.0M
Debt service for refunding bonds 2017D and 2017E	No impact. Request "double counts" debt service for refunded and refunding bonds. City distributes only for refunding bonds.	$20.0M	$0.0M
Pledged Property Tax increase in Transbay	No impact. Actual RPTTF is distributed, regardless of ROPS request.	$8.2M	$0.0M
Total Increase in RPTTF		**$56.6M**	**$0.0M**

Debt Service Timing

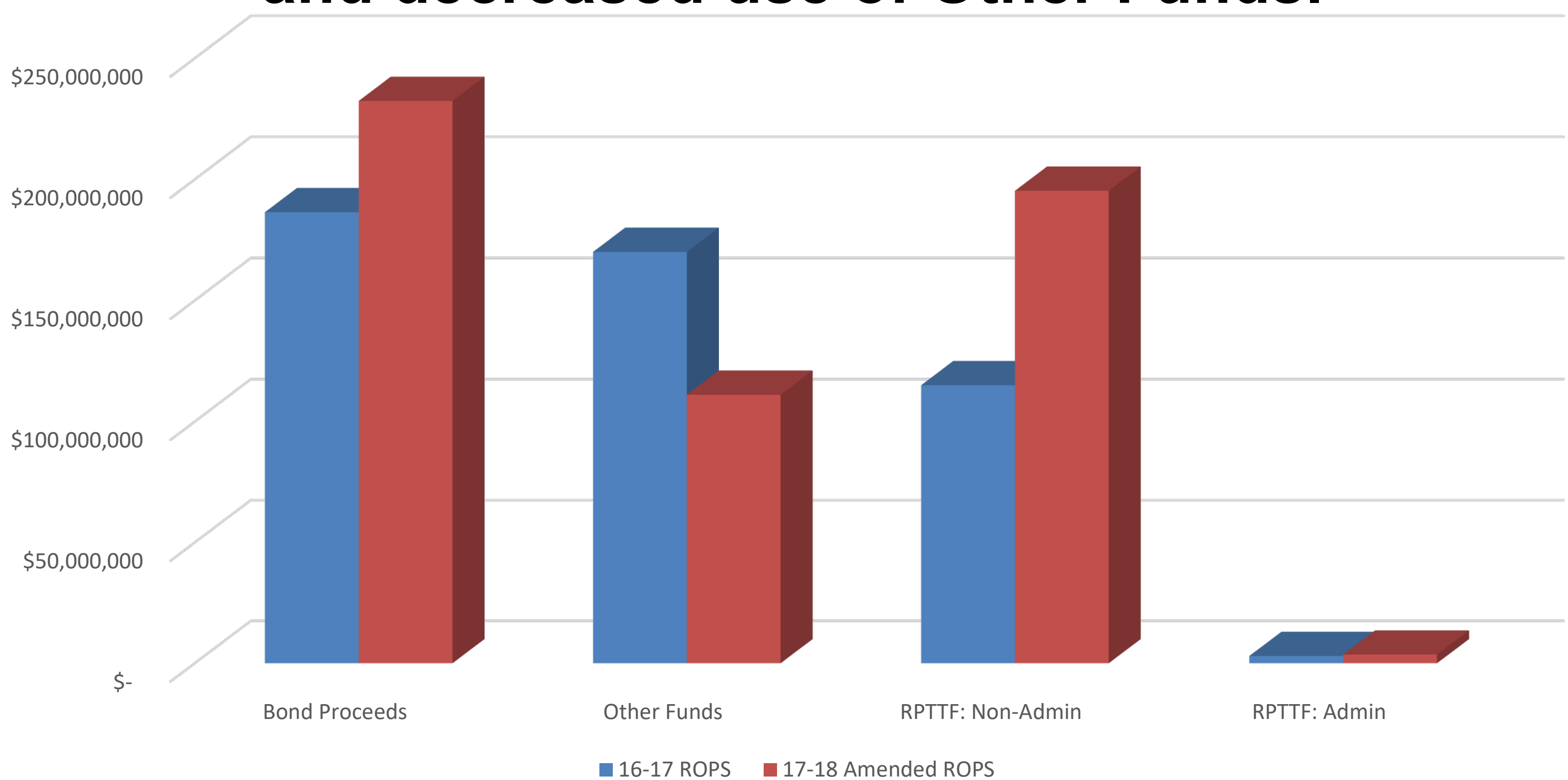
Amendment changes the timing of the distribution, but not the amount

Impact on 2018 Property Tax Distribution ($M)			
	2018 Property Tax		
ROPS	17-18B	18-19A	Total
2014B		$ 15.5	$ 15.5
2014C		$ 9.5	$ 9.5
2016A		$ 3.4	$ 3.4
Total		**$ 28.4**	**$ 28.4**

	2018 Property Tax		
ROPS	17-18B	18-19A	Total
2014B	$ 15.5		$ 15.5
2014C	$ 9.5		$ 9.5
2016A	$ 3.4		$ 3.4
Total	**$ 28.4**		**$ 28.4**

Year-Over-Year Change by Source

Increased use of Bond Proceeds and RPTTF: Non-Admin and decreased use of Other Funds.



Next Steps

- 9/30 17-18 ROPS Amendment Submission to DOF
- 12/16 17-18 ROPS Amendment DOF Notification to OCII

Update on Approved DOF Amounts

OCII absorbed reductions with minimal impact to ability to implement its work program

RPTFF REDUCTIONS BASED ON DOF CUTS					
Line	**Description**	**Requested**	**Approved**	**Difference**	**Impact**
Line 1	ACA	$ 4,093,429	$ 3,591,338	$ (502,091)	See detail.
Line 373	Asset Management	$ 1,114,302	$ 425,196	$ (689,106)	Shifted costs to City for City requested professional services Expedite transfer of assets

ACA Detail

Most reductions revised budget to FY16-17 levels.
OCII revised timing of some special projects.

ACA DETAIL		
Other Professional Services	$ (356,898)	Reduced expenditure is within ROPS 16-17 amount.
		Some special projects deferred to future year.
Legal Services	$ (32,664)	General Counsel serves as Counsel to Commission
Other Current Expenses	$ (112,529)	Reduced expenditure is within ROPS 16-17 amount.
		Some planned FY17-18 purchases made in FY16-17
Total	**$ (502,091)**	

ROPS Amendment

Questions?