

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

Tuesday, June 16, 2020 – 1 :00 PM

Please standby...



FY 2020-21 Budget Approval

June 16, 2020



Proposed Actions : Approving FY20-21 Agency Budget, Interim Budget, and CFD Budgets

- Approving a Budget for the period July 1, 2020 through June 30, 2021 and authorizing the Executive Director to submit the Budget and ratifying and confirming the Executive Director's submittal of the Interim Budget to the Mayor's Office and the Board of Supervisors
- Approving a budget for Community Facilities Districts administered by the Successor Agency for the period July 1, 2020 through June 30, 2021

Budget: FY20-21 Process

- **1/13/2020** ROPS Workshop
- **1/27/2020** ROPS Action
- **4/15/2020** DOF Decision on ROPS
- **6/2/2020** Budget Workshop
- **6/16/2020** Budget Action
- **7/1/2020** Mayor's Budget Office Submission
- **8/1/2020** Board of Supervisors Submission

OCII Budget: FY20-21 Sources

Primary Budget Sources are Prior Period Authority, Property Tax, and Fund Balance.

Sources	Amount (M)	Percent
Property Tax	\$149.9	28.4%
New Bonds	\$15.5	2.9%
Developer Payments	\$16.5	3.1%
Other	\$10.8	2.1%
Fund Balance	\$108.7	20.6%
Prior Period Authority*	\$225.9	42.8%
Total Sources	\$527.3	100.0%

*Prior Period Authority is expenditure carried forward from FY19-20, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets.

OCII Budget: FY20-21 Uses

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

Uses	Amount (M)	Percent
<u>Direct Program Spending</u>		
Affordable Housing	\$122.2	23.2%
Infrastructure & Other Non-Housing	\$237.5	45.0%
Community Development & Workforce	\$2.5	0.5%
Direct Programmatic Subtotal	\$362.2	68.7%
<u>Indirect Program Spending</u>		
Asset Management	\$4.4	0.8%
Project Management & Operations	\$20.6	3.9%
Debt	\$118.6	22.5%
Pass-through to TJPA	\$21.1	4.0%
Other	\$0.4	0.1%
Indirect Programmatic SubTotal	\$165.1	31.3%
Total	\$527.3	100.0%

OCII Budget: YOY Sources Comparison

Changes due to increase in property tax & fund balance, offset by deferred bond issuances & spending down existing housing loans.

Sources	FY 19-20 Budgeted (M)	FY 20-21 Proposed (M)	YOY Difference (M)	Explanation
Property Tax	\$144.1	\$149.9	\$5.9	Growth in pledge offset by planned decrease in debt service payment schedule.
New Bonds	\$40.7	\$15.5	(\$25.2)	Deferred issuance of housing bond to FY 21-22 and deferred issuance of Mission Bay infrastructure bond.
Developer Payments	\$16.7	\$16.5	(\$0.2)	Reduction in professional services contacts.
Other	\$15.8	\$10.8	(\$5.0)	Reduction in lease revenues due to transfer of South Beach Harbor.
Fund Balance	\$80.7	\$108.7	\$28.0	Use of previously issued bond proceeds and accumulation of pledged property tax.
Prior Period Authority*	\$223.4	\$225.9	\$2.5	Paydown of existing loans, offset by increase in pledged property tax.
Total Sources	\$521.3	\$527.3	\$5.9	

*Prior Period Authority is expenditure carried forward from FY19-20, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets. 7

OCII Budget: YOY Uses Comparison

Changes due to an increase in developer reimbursements, offset by paying down on multi-year construction budgets.

Sources	FY 19-20 Budgeted (M)	FY 20-21 Proposed (M)	YOY Difference (M)	Explanation
Affordable Housing Loans	\$98.9	\$96.8	(\$2.1)	Spending down on existing loans.
Development Infrastructure	\$149.1	\$196.8	\$47.7	Increase in Mission Bay reimbursements.
Pass-through to TJPA	\$8.6	\$21.1	\$12.5	Growth in property tax in state-owned parcels.
Debt Service - OCII TAB Bonds	\$101.9	\$97.3	(\$4.6)	Planned reduction in debt service payment based on debt service schedule.
Public Art	\$1.1	\$1.1	\$0.0	NA
Other Debt	\$7.6	\$19.9	\$12.3	Partial defeasance of CFD #4 bond.
Operations	\$36.1	\$34.6	(\$1.5)	Transfer of assets.
Prior Period Authority*	\$118.0	\$59.6	(\$58.4)	Spending down on multi-year construction contracts.
Total Uses	\$521.3	\$527.3	\$5.9	

*Prior Period Authority is expenditure carried forward from FY19-20, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets. 8

OCII Budget: Use of Fund Balance

Estimated cash on hand will decrease by \$274.9 million from \$609.5 million to \$334.5 million

Description	FY 20-21 (M)
Estimated Cash on Hand June 30, 2020	\$609.5
Use of Fund Balance	\$108.7
Use of Prior Period Authority	\$166.2
Estimated Cash on Hand June 30, 2021	\$334.5

*Prior Period Authority is expenditure carried forward from FY19-20, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets.

OCII Budget: FY20-21 Summary

Cost Center Sources (M)	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Debt Service/ Non-Projects	Total	Percent
Property Tax	\$23.3	\$24.0	\$1.9	\$100.7	\$149.9	28.4%
New Bonds	\$0.0	\$0.0	\$15.0	\$0.5	\$15.5	2.9%
Developer Payments	\$0.7	\$2.3	\$13.0	\$0.5	\$16.5	3.1%
Other	\$0.0	\$0.0	\$4.3	\$6.5	\$10.8	2.1%
Fund Balance	\$40.2	\$8.9	\$53.6	\$6.1	\$108.7	20.6%
Prior Period Authority	\$177.5	\$23.8	\$5.7	\$18.8	\$225.9	42.8%
Total Sources	\$241.7	\$59.0	\$93.5	\$133.1	\$527.3	100.0%

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

OCII Budget: FY 20-21 Highlights

- FY 20-21 Budget of \$527.3M is an increase of \$5.9M or 1.1% from FY19-20 Budget of \$521.3M
- Estimated cash on hand will decrease by \$274.9 million from \$609.5 million to \$334.5 million
- Operational costs make up \$20.6M or 3.9% of FY 20-21 Budget
- OCII has 55 positions, unchanged from FY 19-20
- OCII will make \$96.8M in new loans: 2 construction/gap loans and 4 predevelopment loans
- OCII plans to issue 1 new bond, totaling \$15.5M (including COI)

CFD Budgets

- 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
- CFD budgets are estimated and will be finalized in August pending confirmation of special tax rates

CFD Budget Profile

CFD	Project Area	2020 est. Tax Levy (M)	FY20-21 Debt Service (M)	2/20/2020 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	\$0.0	\$0.5	\$19.5	8/1/2031	Infrastructure
CFD #5	Mission Bay North & South	\$2.7	n/a	n/a	n/a	Maintenance
CFD #6	Mission Bay South	\$11.0	\$8.9	\$123.5	8/1/2043	Infrastructure
CFD #7	Hunters Point Shipyard Phase 1	\$2.6	\$2.0	\$33.2	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
Total		\$18.0	\$11.4	\$176.2		

**Debt Service for CFD #4 is paid from tax increment pledged under the Financing Plan of the Mission Bay North Owner Participation Agreement (11/16/98)*

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Budget Process: FY20-21 Next Steps

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- **7/1/2020** Mayor's Budget Office Submission
- **8/1/2020** Board of Supervisors Submission

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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.



Commissioners' Questions and Comments