OCII Commission

Recognized Obligation Payment Schedule Amendment Workshop

ROPS 18-19

August 21, 2018

ROPS Background

ROPS 18-19 Amendment

- 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 January 1 distribution
  - Allowed amendment of approved ROPS prior to October 1 of each year

ROPS 18-19 Schedule

- 2/1 ROPS 18-19 Submission to DOF
- 5/17 ROPS 18-19 Approval by DOF
- 8/21 ROPS 18-19 Amendment Commission Workshop
- 9/10 ROPS 18-19 Amendment Oversight Board Workshop
- 9/24 ROPS 18-19 Amendment Oversight Board Action
- 9/30 ROPS 18-19 Amendment Submission to DOF

ROPS Funding Sources

• **Bond Proceeds**	Includes Prior & Anticipated
• **Reserve Balances**	Prior RPTTF, Due Diligence Reserve Balances
• **Other**	Developer Payments, Grants, etc.
• **RPTTF: Non-Admin**	Redevelopment Property Tax Trust Fund
• **RPTTF: Admin**	Administrative Cost Allowance (max. 3% of prior year's ROPS RPTTF spending)

ROPS 18-19 Amendment

Increases are within existing budget authority due to fungibility within project area

Source	Approved ROPS 18-19	Amended ROPS 18-19	Difference
Bond Proceeds	$305.7M	$303.7M	-$2.0M
Reserve Balance	$2.7M	$9.7M	$7.0M
Other Funds	$72.8M	$76.9M	$4.1M
RPTTF: Non-Admin	$121.6M	$121.7M	$0.1M
RPTTF: Admin	$4.7M	$4.7M	$0.0M
ROPS Total	**$507.5M**	**$516.7M**	**$9.2M** ***(1.8% increase)***
Budget Total	**$745.0M**	**$745.0M**	***$0***

$0.1M RPTTF: Non-Admin increase reflects minimal impact to taxing entities

Bond Proceeds: $2.0M Decrease

Description of Change	Amount
To reflect higher pre-development costs for Mission Bay South 9	$1.8M
To reflect expenditure of old bonds issued to fund tenant improvements for the Mexican Museum	$1.0M
To reflect use of capitalized interest to fund debt service for Mission Bay South 2016D	$0.9M
To reallocate from Other Funds to Bond Proceeds for Alice Griffith to utilize aged Bond Proceeds	$0.1M
To reallocate funds from Bond Proceeds to Reserve Balance for Mission Bay South 6W to more efficiently utilize OCII capital funds	-$5.8M
Decrease in Bond Proceeds	-$2.0M

Reserve Balance: $7.0M Increase

Description of Change	Amount
To reflect reallocation from Bond Proceeds to Reserve Balance (pledged RPTTF: Non-Admin from prior periods) to fund Mission Bay South 6W and to reflect increase in project costs	$7.0M
Increase in Reserve Balance	$7.0M

Other Funds: $4.1M Increase

Description of Change	Amount
To reflect additional art fees received from developer for use in the Mission Bay Project Area	$2.3M
To reflect accelerated work program and increase in Department of Public Works fees for the Transbay Project Area	$1.0M
To reflect a revised work timeline, scope of work, and lease rate in the Hunters Point Shipyard/Candlestick Point Project Area	$0.5M
To reflect use of developer fees to fund supportive services in OCII affordable housing projects	$0.4M
To reflect a reallocation from Other Funds to Bond Proceeds to utilize aged Bond Proceeds for the Alice Griffith housing project	-$0.1M
Increase in Other Funds	$4.1M

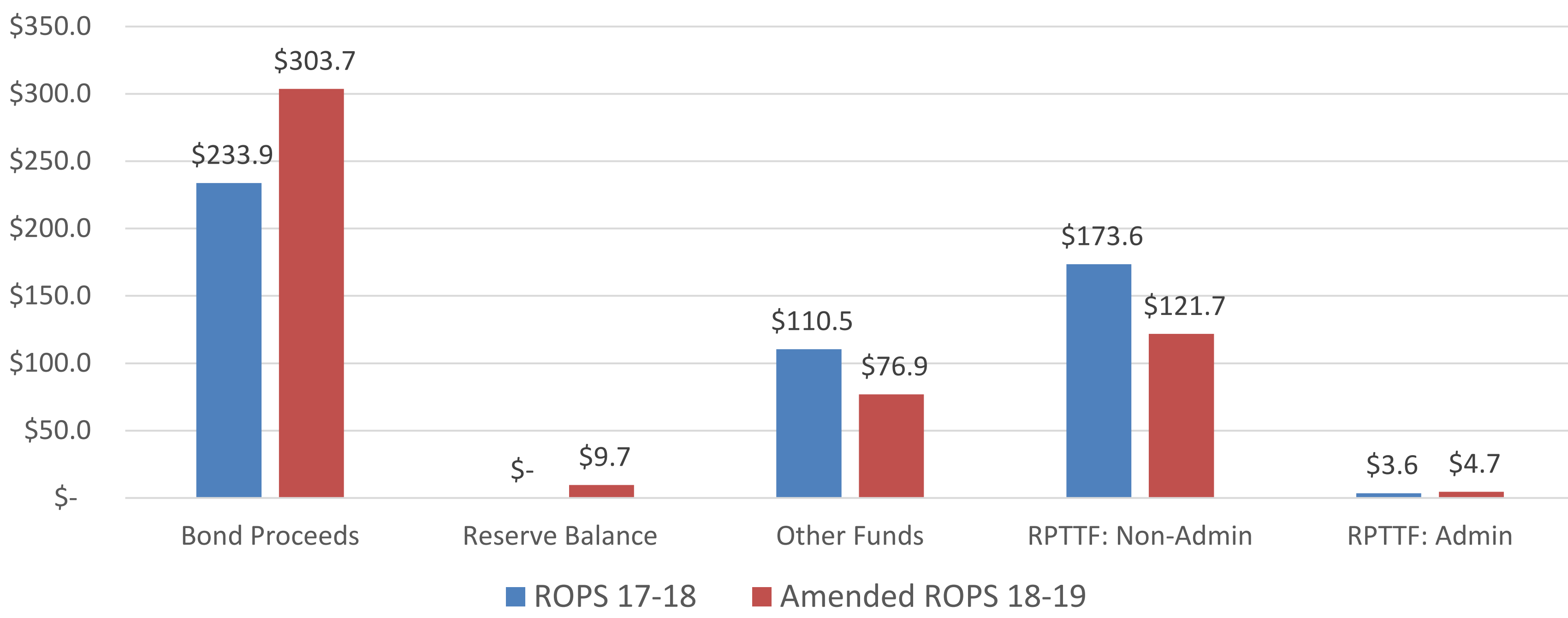
RPTTF: Non-Admin: $0.1M Increase

Description of Change	Amount
To reflect debt service reserve funding requirements	$47K
To reflect enhanced management of OCII's debt portfolio	$75K
Increase in RPTTF: Non-Admin	**$122K**

$0.1M RPTTF: Non-Admin increase reflects minimal impact to taxing entities

Year-Over-Year Change by Source: Total $4.9M Reduction

Increased use of Bond Proceeds and Reserve Balance offset by decreased use of Other Funds and RPTTF: Non-Admin



Next Steps

- 9/10 ROPS 18-19 Amendment Workshop Oversight Board Action
- 9/24 ROPS 18-19 Amendment Oversight Board Action
- 9/30 ROPS 18-19 Amendment Submission to DOF
- 12/16 DOF notification to OCII

Proposed ROPS Amendment

Questions?