OCII Commission

Recognized Obligation Payment Schedule Amendment Workshop

ROPS 19-20

September 17, 2019

ROPS Background

ROPS 19-20 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 19-20: Schedule

- 2/1 ROPS 19-20 Submission to DOF
- 5/17 ROPS 19-20 Approval by DOF
- 9/9 ROPS 19-20 Amendment Oversight Board Workshop
- 9/17 ROPS 19-20 Amendment Commission Workshop
- 9/23 ROPS 19-20 Amendment Oversight Board Action
- 9/30 ROPS 19-20 Amendment Submission to DOF

ROPS Funding Sources

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

ROPS 19-20: Amendment by Sources

Proposed amendments reflect final property tax roll for pledged RPTTF

Source	Approved ROPS 19-20	Amended ROPS 19-20	Change
Bond Proceeds	$199.71M	$199.71M	-
Reserve Balance	-	-	-
Other Funds	$42.02M	$42.02M	-
RPTTF Non-Admin	$162.53M	$215.77M	+$53.24M
RPTTF Admin	$3.65M	$3.65M	-
Total	**$407.91M**	**$461.15M**	**+$53.24M (13.05% increase)**

ROPS 19-20: Amendment by Uses

Affordable housing pledge funds OCII-funded affordable housing projects; infrastructure pledge reimburses developer for infrastructure already constructed in project areas

Use	Approved ROPS 19-20	Amended ROPS 19-20	Change
Affordable Housing	$123.49M	$138.82M	*+$15.33M*
Mission Bay	$81.65M	$104.29M	*+$22.64M*
Transbay	$42.45M	$57.09M	*+$14.64M*
HPS/CP	$15.97M	$16.60M	*+$0.63M*
Asset Management	$7.79M	$7.79M	-
Debt	$118.51M	$118.51M	-
Operations	$18.04M	$18.04M	-
Total	**$407.9M**	**$461.2M**	***$53.24M*** **(13.05% increase)**

ROPS 19-20: Housing Pledges by Project Area

Final property tax roll reflects additional $15.33M for affordable housing

Project Area	ROPS Line	Approved ROPS 19-20	Amended ROPS 19-20	Change
Mission Bay North	220	$2.50M	$3.11M	*+$0.61M*
Mission Bay South	226	$7.50M	$18.63M	*+11.12M*
Transbay	237	$5.08M	$8.41M	*+$3.32M*
HPS/CP	219	$0.75M	$0.35M	*+$0.27M*
Housing Subtotal		**$15.17M**	**$30.50M**	***+$15.33M***
Infrastructure Subtotal				***$37.92M***
Total				***$53.25M***

ROPS 19-20: Infrastructure Pledges by Project Area

Final property tax roll reflects additional $37.92M in funding for infrastructure

Project Area	ROPS Line	Approved ROPS 19-20	Amended ROPS 19-20	Change
Mission Bay North	86	$6.55M	$6.69M	*+$0.14M*
Mission Bay South	88	$13.10M	$35.60M	*+$22.50M*
Transbay	102	$8.60M	$23.25M	*+$14.64M*
HPS/CP	49	$0.30M	$0.94M	*+$0.63M*
Infrastructure Subtotal		**$28.56M**	**$66.48M**	***+$37.92M***
Housing Subtotal				***$15.33M***
Total				***$52.35M***

ROPS 19-20: Amendment Net Impact to Mission Bay

Mission Bay shows largest increase in property tax, reflecting project's development status

Line Description	Line	Approved ROPS 19-20	Amended ROPS 19-20	Change
MBN Infrastructure Pledge	86	$6.55M	$6.69M	*+$0.14M*
MBS Infrastructure Pledge	88	$13.10M	$35.60M	*+$22.50M*
MBN Housing Pledge	220	$2.50M	$3.11M	*+$0.61M*
MBS Housing Pledge	226	$7.50M	$18.63M	*+11.12M*
Increase		**$29.66M**	**$64.04M**	**$34.38M**

ROPS 19-20: Amendment Net Impact to Transbay

Growth in Transbay reflects recent project completions

Line Description	Line	Approved ROPS 19-20	Amended ROPS 19-20	Change
Transbay Infrastructure Pledge	102	$8.60M	$23.25M	*+$14.64M*
Transbay Housing Pledge	237	$5.08M	$8.41M	*+$3.32M*
Increase		**$13.69M**	**$31.66M**	**+$17.96M**

ROPS 19-20: Amendment Net Impact to HPS/CP

HPS/CP shows smallest increase, reflecting project's development status

Line Description	Line	Approved ROPS 19-20	Amended ROPS 19-20	Change
HPS/CP Infrastructure Pledge	49	$0.30M	$0.94M	*+$0.63M*
HPS/CP Housing Pledge	219	$0.75M	$0.35M	*+$0.27M*
Increase		**$0.38M**	**$1.28M**	**$0.90M**

ROPS 19-20: Amendment Impact to Taxing Entities and Budget

Taxing Entities

- Total property tax increment collection has increased, increasing amount distributed to taxing entities
- Share to taxing entities and OCII remains constant

Budget

- No budget amendment required
- The recommended changes reflect increases only in revenues and not in expenditures
- Budget amendments are only required for increases in expenditures, therefore no budget amendment needed

ROPS 19-20: Next Steps

- 9/23 ROPS 19-20 Amendment Oversight Board Action
- 9/30 ROPS 19-20 Amendment Submission to DOF
- 12/16 DOF notification to OCII

ROPS 19-20: Amendment

Questions?

Appendix

ROPS 19-20: Pledged Increment

- **Pledged increment** is property tax increment irrevocably pledged by development agreements to finance the construction of affordable housing and infrastructure in project areas
- Project areas are Mission Bay, Transbay, and Hunters Point Shipyard/Candlestick Point (“HPS/CP”)
- Pledged increment is allocated as follows:
  - 20% to taxing entities
    - *General Fund, Children’s Fund, Library Preservation Fund, Open Space Fund*
    - *County Office of Education, SFUSD, City College, ERAF, BART, BAAQMD*
  - 20% to OCII housing
  - 60% to OCII infrastructure
- Proposed ROPS 19-20 Amendment does not impact taxing entities because taxing entities receive 20% of gross increment, prior to property tax distribution to OCII

Office of Economic and Workforce Development (OEWD)
Custom Census

- At request of OCII Commission, staff is in discussion with OEWD to conduct a Custom Census
- Objective: to determine whether there are pockets of high unemployment in San Francisco for the purposes of identifying community workforce needs and allocating resources to address those needs
- Scope of Work:
  - Identify population of workers by ZIP code and Industry
  - Identify unemployment rate of workers by ZIP code and industry/job classifications
  - Identify underemployment of workers (i.e., those not full-time employed and those not currently seeking work but would like to seek employment)
  - Findings and recommendations
- Periodic updates to Commission: budgetary impact, if any; commencement of study; findings and recommendations

Office of Economic and Workforce Development (OEWD) ROPS Lines

OEWD costs are contained in 4 ROPS 19-20 lines below

Line Description	Line	ROPS 19-20
HPS/CP	36	$136,000
MB	220 (partial)	$53,430
TBY	237 (partial)	$50,056
Admin	411 (partial)	$3,367
		$242,853