Office of Community Investment and Infrastructure

Recognized Obligation Payment Schedule 19-20

July 1, 2019 – June 30, 2020

Oversight Board Workshop

January 14, 2019

Funding Sources

Bond Proceeds	Prior & Anticipated Bond Proceeds
Reserve Funds	DDR Balances
Other Funds	Developer Payments, Grants, etc.
RPTTF Non-Admin	Redevelopment Property Tax Trust Fund (“RPTTF”) to fund enforceable obligations
RPTTF Admin	Administrative Cost Allowance in RPTTF; Maximum of 3% of prior year’s ROPS RPTTF distribution less prior year’s RPTTF Admin less Prior Period Adjustment

ROPS 19-20 Sources

Bond proceeds and RPTTF Non-Admin are primary sources.

Sources	Proposed Amount ($M)
Bond Proceeds	$194.9
Reserve Funds	$0.0
Other Funds	$42.0
RPTTF Non-Admin	$162.5
RPTTF Admin	$4.3
Total Sources	**$403.7**

ROPS 18-19 v. ROPS 19-20 Sources

Bond proceeds and RPTTF Non-Admin remain primary sources.

Sources	ROPS 18-19 Amount ($M)	ROPS 19-20 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Bond Proceeds	$309.8	$194.9	($114.9)	-37.1%	Decrease due to timing of affordable housing pipeline and relatively high prior year expenditure on Folsom Streetscape.
Reserve Funds	$0.0	$0.0	$0.0	-	
Other Funds	$73.7	$42.0	($31.7)	-43.0%	Decrease due to transfer of real estate assets and relatively high prior year expenditure on affordable housing.
RPTTF Non-Admin	$124.4	$162.5	$38.1	30.6%	Increase due to higher pledged RPTTF Non-Admin, debt service for new bond issuances, and use of housing pledge fund balance for affordable housing.
RPTTF Admin	$4.7	$4.3	($0.4)	-8.8%	Decrease due to calculation by formula; lower RPTTF Non-Admin expenditure in 16-17 decreases 19-20 RPTTF Admin.
Total Sources	**$512.6**	**$403.7**	**($108.9)**	**-21.2%**	

ROPS 19-20 Uses

Affordable housing and debt are primary uses.

Uses	Proposed Amount ($M)
Affordable Housing	$132.5
Mission Bay	$81.6
Transbay	$28.7
HPS/CP	$16.0
Asset Management	$7.8
Debt	$118.5
Operations	$18.6
Total Uses	**$403.7**

ROPS 18-19 v. ROPS 19-20 Uses

Affordable housing and debt remain primary uses.

Uses	ROPS 18-19 Amount ($M)	ROPS 19-20 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Affordable Housing	$201.9	$132.5	($69.4)	-34.4%	Decrease due to timing of affordable housing pipeline.
Mission Bay	$83.8	$81.6	($2.2)	-2.6%	Decrease due to spending down on infrastructure fund balance.
Transbay	$39.0	$28.7	($10.3)	-26.5%	Decrease due to high prior year spending on construction of Folsom streetscape.
HPS/CP	$22.5	$16.0	($6.5)	-29.0%	Decrease due to timely receipt and payment of invoices, reducing need to carry forward unbilled expenditure.
Asset Management	$10.6	$7.8	($2.8)	-26.6%	Decrease due to transfer of South Beach Harbor.
Debt	$139.2	$118.5	($20.7)	-14.9%	Decrease due to shape of debt service curve.
Operations	$15.6	$18.6	$3.0	19.5%	Increase due to higher unfunded pension and retiree health liabilities, and enhancements to debt administration program.
Total Uses	**$512.6**	**$403.7**	**($108.9)**	**-21.2%**	

ROPS 19-20 Proposed RPTTF Uses

Affordable housing and debt are primary uses.

Uses	Proposed Amount ($M)*
Affordable Housing	$20.8
Mission Bay	$19.7
Transbay	$10.6
HPS/CP	$0.7
Asset Management	$0.0
Operations	$11.4
Debt	$103.6
Total	**$166.8**

**Includes both RPTTF Non-Admin and RPTTF Admin.*

ROPS 18-19 v. ROPS 19-20 RPTTF Request

RPTTF request is higher due to growth in pledged RPTTF.

Uses	ROPS 18-19 Amount ($M)	ROPS 19-20 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Affordable Housing	$8.2	$20.8	$12.6	154.1%	Increase due to use of housing fund balance for affordable housing.
Mission Bay	$6.3	$19.7	$13.4	211.9%	Increase due to growth in pledged RPTTF Non-Admin.
Transbay	$5.8	$10.6	$4.8	82.5%	Increase due to use of RPTTF Non-Admin for Transbay Park and growth in pledged RPTTF Non-Admin.
HPS/CP	$0.7	$0.7	$0.0	0.0%	No change.
Asset Management	$0.3	$0.0	($0.3)	-100.0%	Decrease due to transfer of South Beach Harbor.
Debt	$97.9	$103.6	$5.7	5.9%	Increase due to debt service for two planned issuances.
Operations	$9.9	$11.4	$1.5	15.2%	Increase due to higher unfunded pension and retiree health liabilities, and enhancements to debt administration program.
Total	**$129.1**	**$166.8**	**$37.7**	**29.2%**	

Affordable Housing



Alice Griffith 4

Affordable Housing: Sources and Uses

Primary source is bond proceeds.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Gap Loan	$83.7		$0.5	$7.0		$91.2
Predevelopment Loan	$14.8		$7.0			$21.8
Housing Pledge Fund Balance				$13.8		$13.8
Affordable Housing Support	$5.7*					$5.7
Total	**$104.2**	**$0.0**	**$7.5**	**$20.8**	**$0.0**	**$132.5**

Primary use is gap loans.

**Phase 2 and 3 returned funds and excess bond proceeds MOU with MOHCD*

Affordable Housing: By Project Area

Most affordable housing expenditure occurs in HPS/CP and Mission Bay.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
HPS/CP	$55.5			$0.1		$55.6
Mission Bay	$43.0		$0.5	$16.0		$59.5
Transbay			$7.0	$4.7		$11.7
Other	$5.7					$5.7
Total	**$104.2**	**$0.0**	**$7.5**	**$20.8**	**$0.0**	**$132.5**

Affordable Housing: HPS/CP

Project	Type	Amount ($M)	Number of Units
HPS Blocks 52/54	Predevelopment & Gap Loans	$46.8	113 units
Alice Griffith Phase 4	Gap Loan Amendment	$1.0	31 units
HPS Block 56	Predevelopment Loan	$3.5	70 units
CP Block 11a	Predevelopment Loan	$2.4	176 rental units
CP Block 10a	Predevelopment Loan	$1.8	156 rental units
Housing Pledge Fund Balance	Pledged RPTTF	$0.1	-
HPS/CP Total		**$55.6**	**546 units**

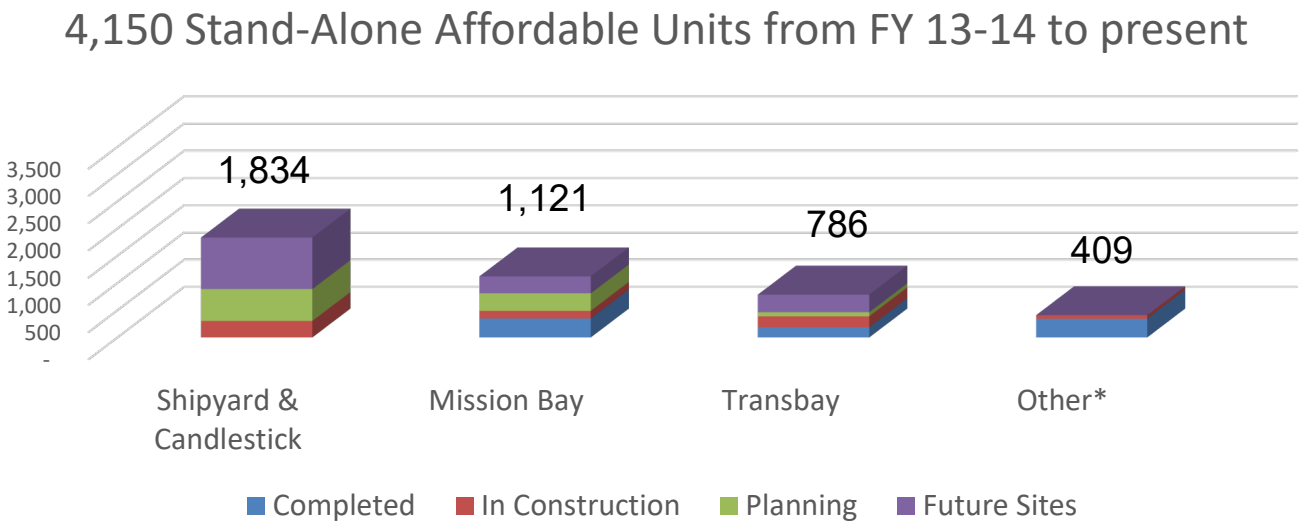
Affordable Housing: Mission Bay

Project	Type	Amount ($M)	Number of Units
MBS 9	Predevelopment & Gap Loan	$43.4	141 units
MBS 12 West	Predevelopment Loan	$3.5	145 units
MBS 9A	Predevelopment Loan	$3.5	63 units
Housing Pledge Fund Balance	Pledged RPTTF	$9.1	-
Mission Bay Total		**$59.5**	**349 units**

Affordable Housing: Transbay

Project	Type	Amount ($M)	Number of Units
TBY Block 2 West	Predevelopment Loan	$3.5	78 units
TBY Block 2 East	Predevelopment Loan	$3.5	169 units
Housing Pledge Fund Balance	Pledged RPTTF	$4.7	-
Transbay Total		**$11.7**	**247 units**

Affordable Housing: Work Program



Status in ROPS 19-20

Shipyard / Candlestick

- Alice Griffith 1-3: Completed
- Alice Griffith 4: In Construction
- Block 52/54: Predevelopment
- Block 10A: Predevelopment
- Block 11A: Predevelopment
- Block 56: Predevelopment

Mission Bay

- MBS Block 7 West: Completed
- MBS Block 6 East: Completed
- MBS Block 3 East: In Construction
- MBS Block 6 West: Predevelopment
- MBS Block 9: Predevelopment
- MBN Block 9a: Issue RFP

Transbay

- Block 7: Completed
- Block 6: Completed
- Block 1: In Construction
- Block 8: In Construction
- Block 9: In Construction
- Block 4: Developer Negotiations
- Block 2E: Issue RFP
- Block 2W: Issue RFP

* Projects in Bayview Hunters Point, Rincon Point-South Beach, South of Market, or Western Addition A-2

Mission Bay North & South



Aerial View – May 2018

Mission Bay: Sources by Uses

Bond proceeds is primary source.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure	$59.8					$59.8
Professional Services			$1.0			$1.0
Art Program			$1.1			$1.1
Infrastructure Pledge Fund Balance				$19.7		$19.7
Total	**$59.8**	**$0.0**	**$2.1**	**$19.7**	**$0.0**	**$81.6**

Developer infrastructure reimbursements are primary use.

Mission Bay: Work Program

- **Overview**
  - Facilitate completion of infrastructure including parks and streets
  - Complete the Chase Event Center
  - Manage existing parks and open space
  - Amend the Redevelopment Plan, OPA and Design for Development to increase entitlements for office space and housing

- **Detail**
  - Infrastructure
    - $59.8 million for infrastructure reimbursements
  - Professional Services
    - $1.0 million for third party review of reimbursements and other consultants
  - Art Program
    - $1.1 million for public art in Mission Bay
  - Infrastructure Pledge Fund Balance for infrastructure reimbursements
    - $13.1 million in pledged RPTTF in MBS
    - $6.6 million in pledged RPTTF in MBN

Transbay



Transbay: Sources by Uses

Bond proceeds is the primary source.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure	$13.0		$4.8	$2.0		$19.8
Professional Services	$0.2		$0.1	$0.0		$0.3
TJPA Pledge				$8.6		$8.6
Total	**$13.2**	**$0.0**	**$4.9**	**10.6**	**$0.0**	**$28.7**

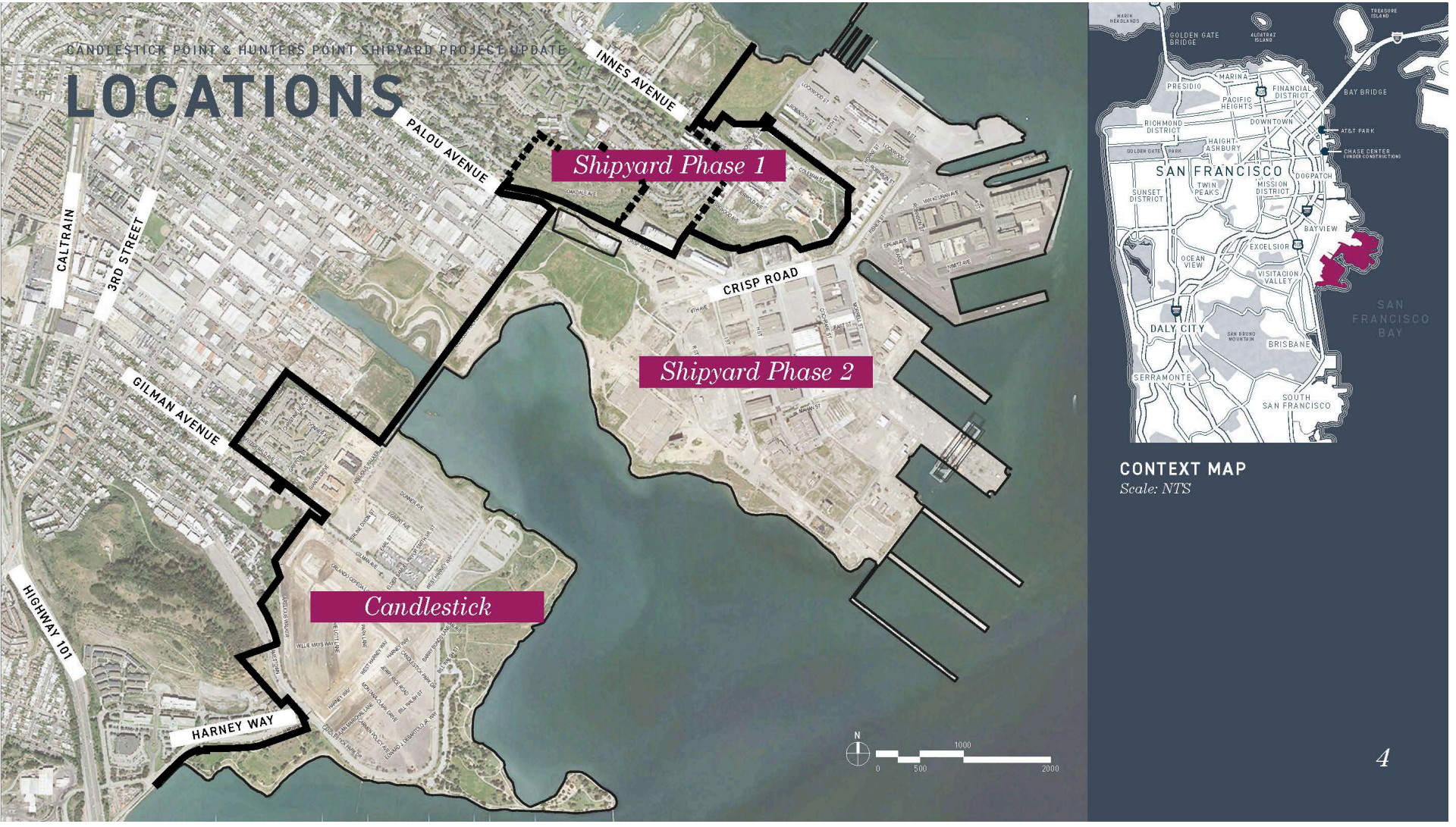
Infrastructure is primary use.

Transbay: Work Program

- **Overview**
  - Monitor construction of the Folsom Street Improvement Project
  - Obtain Commission approval of Schematic Designs and draft construction plans for Under Ramp Park and Transbay Park
  - Facilitate Commission review of Redevelopment Plan Amendment, DDA, Schematic Designs, and Design Guidelines amendment for Transbay Block 4; Staff review of Block 4 Design Development plans
  - Monitor construction of Blocks 1, 8, 9
  - Oversee environmental, financial, and legal services related to the Block developments
- **Detail**
  - Infrastructure
    - $3.3 million for construction administration of the Folsom Street Improvement Project
    - $10.2 million for Design Development documentation and Construction documentation for Under Ramp Park and Transbay Park
    - $6.3 million to Block Developers for reimbursement of adjacent streetscape improvement costs
  - Professional services
    - $0.3 million for environmental and legal services related to the Block developments
  - TJPA Pledge
    - $8.6 to transfer to TJPA to fund Transbay Terminal Center

Office of Community Investment and Infrastructure

Hunters Point Shipyard Phases 1 & 2 / Candlestick Point



HPS/CP: Sources by Uses

Other Funds are primary source.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure			$4.3	$0.4		$4.7
Professional Services			$7.8			$7.8
Community Benefits			$3.1			$3.1
Lease Payments to Navy			$0.1			$0.1
Infrastructure Pledge Fund Balance				$0.3		$0.3
Total	**$0.0**	**$0.0**	**$15.3**	**$0.7**	**$0.0**	**$16.0**

Professional services is primary use.

HPS/CP: Work Program

- **Overview**
  - Complete 5 public parks in HPS Phase 1
  - Finalize designs for 4 development blocks in HPS Phase 1
  - Re-design Candlestick Point Retail Center site and supporting infrastructure
  - Implement Community Benefits Agreements
  - Monitor Navy's re-testing and clean up of HPS Phase 2 parcels

- **Detail**
  - Infrastructure
    - $4.7 million for Building 101
  - Professional Services
    - $7.8 million for financial consulting services, legal services, as-needed engineering services, etc.
  - Community Benefits
    - $3.1 million in fund balance to be allocated over time through a community process for scholarship and educational improvement and home ownership assistance
    - Lease Payments to Navy
    - $0.1 million for lease
  - Infrastructure Pledge Fund Balance
    - $0.3 million for infrastructure reimbursements

Asset Management

Asset Management: Sources by Uses

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
YBC	$7.8					$7.8
Total	**$7.8**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$7.8**

Asset Management: Work Plan

- **Manage on-going development obligations outside of major approved development projects**

- **Implement Long-Range Property Management Plan**
  - **Yerba Buena Center**
  - **India Basin**
  - **Western Addition**
  - **Hunters Point & Bayview Hunters Point**
  - **South of Market**
  - **Golden Gateway**

Debt

Debt: Planned New Money Issuances

Two new money bond issuances planned: $40.6M

New Bond	Project Area	Use	Amount ($M)
2019A SB107 Housing Bond	NA	HPS 52/54 Gap Loan	$25.3
2019B HPS/CP Infra Bond	HPS/CP	Infrastructure Reimbursement	$15.3
Total			**$40.6**

Debt: Sources & Uses

RPTTF Non-Admin is primary source.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Debt Service - Existing TAB Bonds	$0.0			$98.3		$98.3
Debt Service - Planned TAB Bonds	$0.8			$3.6		$4.4
Other Debt			$5.1	$1.7		$6.8
Ferry Landing Terminal	$9.0					$9.0
Total	**$9.8**	**$0.0**	**$5.1**	**$103.6**	**$0.0**	**$118.5**

Debt service for existing bonds is primary use.

Operations

Operations: Sources & Uses

Primary sources for operations are RPTTF Non-Admin and Other Funds.

Operations	Amount ($M)
Sources	
Bond Proceeds	$0.1
Reserve Funds	$0.0
Other Funds	$7.1
RPTTF Non-Admin	$7.1
RPTTF Admin	$4.3
Total	**$18.6**
Uses	
Salaries and Benefits	$9.6
Non-Labor	$5.1
Retiree Health and Pension	$3.9
Total	**$18.6**

Operations: Uses Detail

Current staff and retirement benefits drive operating costs of $18.6M

- **$9.6M Existing Staff Salaries & Benefits**
  - 54 Full Time Equivalent (FTE) positions, no change
  - COLA, assumed consistent with City
- **$3.9M Retiree Obligations**
  - $1.7M to reduce long-term pension liability
  - $1.4M for current retiree health benefits
  - $0.8M to reduce long-term retiree health benefit liability
- **$5.1M in Non-Labor Costs**

Operations: Non-Labor Expenditure

Work Orders with City Departments are the highest non-labor expenditure.

Department	Amount ($M)
Work Orders with City Departments	$3.0
Professional Services	$0.9
Other Current Expenses	$0.5
Insurance	$0.4
Legal Services	$0.2
Software and Information Technology	$0.1
Total	**$5.1**

Operations: Work Orders with City Departments Detail

Work Order with MOH for affordable housing services is largest.

Department	Service	Amount ($M)
MOH	Affordable Housing Services	$1.8M
ADM	Rent	$0.7M
CON	Accounting and Audit Services	$0.2M
OEWD	Workforce Development Services	$0.1M
DT	IT Services	$83k
CAT	Legal	$50k
Planning	Project Areas Support	$15k
Total		**$3.0M**

RPTTF Admin Calculation

SB107 limits the administrative cost allowance to an amount not to exceed 3% of the actual property tax distributed in prior year, less prior year RPTTF Non-Admin.

RPTTF Admin		
18-19 RPTTF Non-Admin	$	147,597,036*
Less 18-19 RPTTF Admin	$	4,661,470
Sub-Total	**$**	**142,935,566**
Rate		3%
19-20 RPTTF Admin	**$**	**4,288,067**
RPTTF Admin Change		- $373,403

Changes in ROPS Lines

- **Retired Lines**
  - Lines 140, 141, 142, 143, 144, 414 – Transfer of Yerba Buena Gardens
  - Line 239 – Completion of TBY Blocks 6 and 7
  - Line 374 – Completion of TBY Block 8
  - Line 393 – Completion of MBS 6E
  - Lines 20, 418 – Transfer of 345 Williams, deemed transferred by DOF
  - Line 426 – Deferral of 2018A MB Housing Bond
- **New Lines**
  - Line 428 – MBS Block 12 Predevelopment Loan
  - Line 429 – 2019A SB107 Housing Bond
  - Line 430 – 2019B HPS/CP Infrastructure Bond
  - Line 431 – Design and Construction of Transbay Park
  - Line 432 – Streetscape Improvements for Folsom Streetscape

ROPS 19-20 Process

- **1/14:** ROPS Oversight Board Workshop
- **1/15:** ROPS Commission Workshop
- **1/28**: ROPS Oversight Board Approval Action
- **2/1:** ROPS Submission to DOF

Questions?