Office of Community Investment and Infrastructure

Recognized Obligation Payment Schedule 22-23

July 1, 2022 – June 30, 2023

Oversight Board Workshop

January 10, 2022

O C I I

Funding Sources

Bond Proceeds	Bond Proceeds from bonds issued
Reserve Balance	Property tax increment approved to be retained by DOF in prior year for use in current year
Other Funds	Developer Payments, Grants, etc.
RPTTF Non-Admin	Redevelopment Property Tax Trust Fund ("RPTTF") to fund enforceable obligations
RPTTF Admin	Administrative Cost Allowance; Maximum of 3% of prior year's ROPS RPTTF distribution less prior year's RPTTF Admin less Prior Period Adjustment

ROPS 22-23 Sources

Bond Proceeds and RPTTF Non-Admin are primary sources.

Sources	Proposed Amount ($M)
Bond Proceeds	$324.1
Reserve Balance	$32.3
Other Funds	$165.9
RPTTF Non-Admin	$180.7
RPTTF Admin	$3.9
Total Sources	**$706.9**

ROPS 21-22 v. ROPS 22-23 Sources

Bond Proceeds and RPTTF Non-Admin are primary sources.

Sources	ROPS 21-22 Amount ($M)	ROPS 22-23 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Bond Proceeds	$260.9	$324.1	$63.2	24.2%	Increase due to use of new bond proceeds for Transbay infrastructure projects and technical requirement of refunding 2016D bond.
Reserve Balance	$48.7	$32.3	($16.4)	-33.6%	Decrease due to spend down of Reserve.
Other Funds	$91.7	$165.9	$74.3	81.0%	Increase due to affordable housing projects: TBY 2E, TBY 2W, TBY 4, MBS 4W, and MBS 12E.
RPTTF Non-Admin	$144.1	$180.7	$36.6	25.4%	Increase due to affordable housing staffing, Transbay park, and debt service payments on new bond issuances.
RPTTF Admin	$4.3	$3.9	($0.4)	-9.3%	Decrease due to formula.
Total Sources	**$549.6**	**$706.9**	**$157.3**	**28.6%**	

ROPS 22-23 Uses

Affordable Housing and Debt are primary uses.

Uses	Proposed Amount ($M)
Affordable Housing	$272.8
Mission Bay	$78.2
Transbay	$142.6
HPS/CP	$13.4
Asset Management	$0.0
Debt	$181.2
Operations	$18.7
Total Uses	**$706.9**

ROPS 21-22 v. ROPS 22-23 Uses

Affordable Housing and Debt are primary uses.

Uses	ROPS 21-22 Amount ($M)	ROPS 22-23 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Affordable Housing	$251.6	$272.8	$21.2	8.4%	Increase due to affordable housing project portfolio.
Mission Bay	$92.0	$78.2	($13.7)	-14.9%	Decrease due to spend down of Pledged RPTTF Non-Admin on Reserve.
Transbay	$49.0	$142.6	$93.6	190.9%	Increase due to Transbay Park and Under Ramp Park.
HPS/CP	$18.6	$13.4	($5.2)	-27.7%	Decrease due to spend down of Pledged RPTTF Non-Admin on Reserve, EDA grant, and Community Benefits Agreement.
Asset Management	$6.8	$0.0	($6.8)	-100.0%	Decrease due to spend down of bond proceeds on Mexican Museum.
Debt	$112.9	$181.2	$68.3	60.5%	Increase due to technical requirement of refunding 2016D bond, offset by planned decrease in debt service schedule.
Operations	$18.8	$18.7	($0.1)	-0.3%	Decrease due to identified cost efficiencies and prior year payments to reduce long-term liabilities.
Total Uses	**$549.6**	**$706.9**	**$157.3**	**28.6%**	

ROPS 22-23 Proposed RPTTF Uses

Debt and Transbay are primary uses.

Uses	Proposed Amount ($M)*
Affordable Housing	$0.0
Mission Bay	$13.3
Transbay	$39.6
HPS/CP	$1.2
Asset Management	$0.0
Debt	$119.5
Operations	$11.1
Total	**$184.6**

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

ROPS 21-22 v. ROPS 22-23 RPTTF Request

RPTTF request is higher due to infrastructure spending, offset by reduction in debt expenditure.

Uses	ROPS 21-22 Amount ($M)	ROPS 22-23 Proposed ($M)	Difference ($M)	Percent Change	Explanation
Affordable Housing	$0.0	$0.0	$0.0	-	No change.
Mission Bay	$0.0	$13.3	$13.3	100%	Increase due to developer's request of pledged RPTTF to fund infrastructure reimbursements.
Transbay	$32.4	$39.6	$7.2	22.2%	Increase due to growth in pledged RPTTF for TJPA.
HPS/CP	$1.5	$1.2	($0.3)	-18.5%	Decrease in use of RPTTF Non-Admin for grant matching funds, offset by increase in Pledged RPTTF Non-Admin generated in project area.
Asset Management	$0.0	$0.0	$0.0	-	No change.
Debt	$104.2	$119.5	$15.3	14.7%	Increase due developer request to partially defease 2016D bond, offset by planned decrease in planned debt service schedule.
Operations	$10.3	$11.1	$0.8	7.3%	Increase due to spend down of Reserve Balance in prior year, requiring new RPTTF to fund costs in current year.
Total	**$148.3**	**$184.6**	**$36.2**	**24.4%**	

Office of Community Investment and Infrastructure

Affordable Housing

Hunters Point Shipyard Phase 1 Blocks 52/54

Affordable Housing: Sources and Uses

Other Funds are primary source.

Sources ($M) / Uses	Bond Proceeds	Reserve Balance	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Construction Funding	$125.2	$14.0	$123.7		-	$262.9
Predevelopment Funding	$2.8	-	$7.0	-	-	$9.8
Total	**$128.0**	**$14.0**	**$130.8**	**-**	**-**	**$272.8**

**Numbers are slightly off due to rounding.*

Construction Funding is primary use.

Affordable Housing: By Project Area

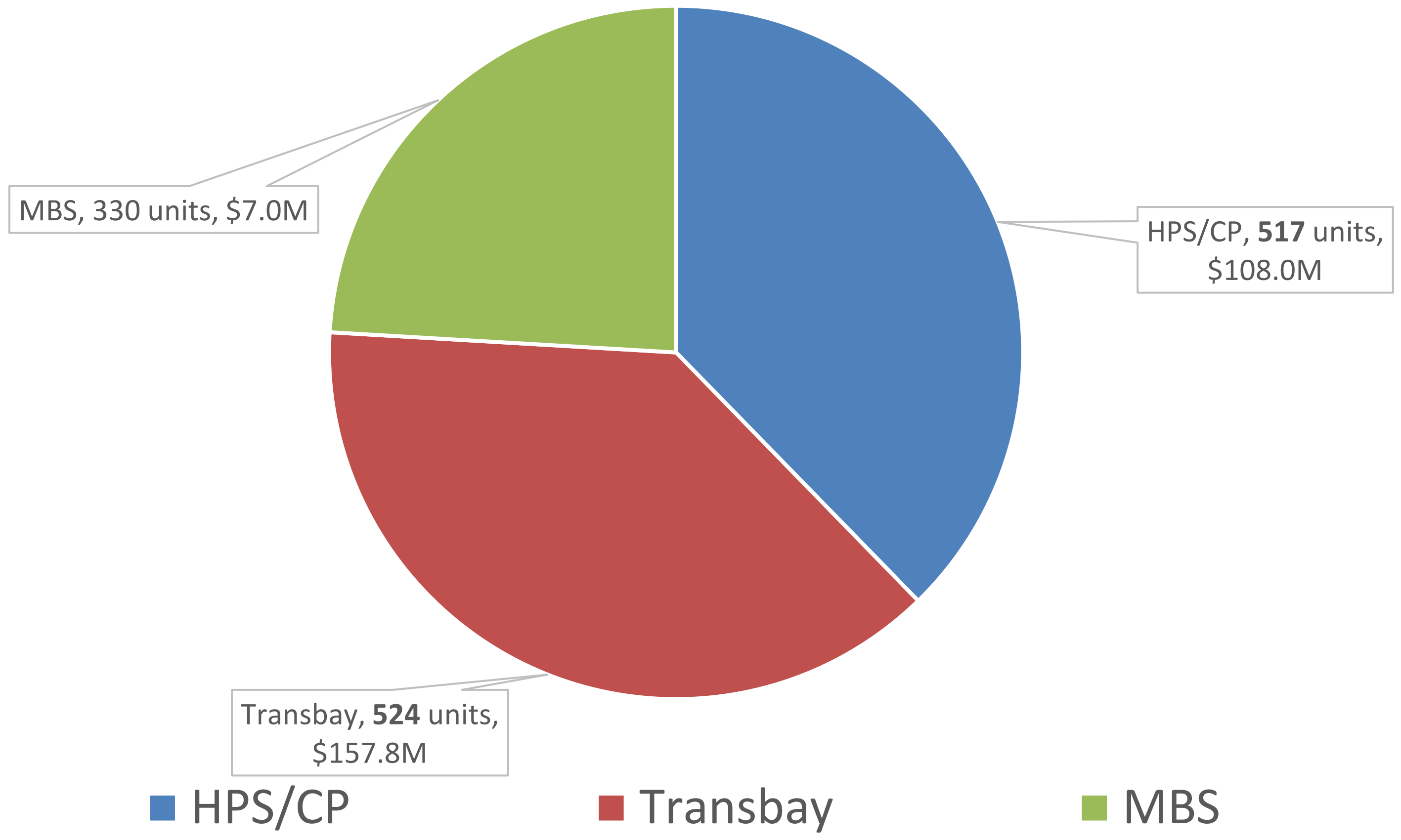
Affordable housing expenditure occurs in all major project areas.

Sources ($M) / Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
HPS/CP	$108.0	-	-	-	-	**$108.0**
Mission Bay	-	-	$7.0	-	-	**$7.0**
Transbay	$20.0	$14.0	$123.8	-	-	**$157.8**
Total	**$128.0**	**$14.0**	**$130.8**	**-**	**-**	**$272.8**

Majority of expenditure is in Transbay

Affordable Housing: Work Program

Number of OCII Stand-Alone Affordable Units Funded in ROPS 22-23: 1,371



Affordable Housing

Work program includes 7 new and 2 existing affordable housing loans.

Project	Type	Amount ($M)	Number of Units
Existing Loans			
CP Block 11a	Predevelopment Loan	$1.2	176 units
CP Block 10a	Predevelopment Loan	$1.6	156 units
New Loans			
HPS Block 52/54	Predevelopment and Construction Loan	$62.0	112 units
HPS Block 56	Predevelopment and Construction Loan	$43.2	73 units
Transbay Block 2 West	Predevelopment and Construction Loan	$46.3	150 units
Transbay Block 2 East	Predevelopment and Construction Loan	$64.5	172 units
Transbay Block 4	Construction Loan	$47.0	202 units
MBS Block 12W	Predevelopment Loan	$3.5	165 units
MBS Block 4E	Predevelopment Loan	$3.5	165 units
Total		**$272.8**	**1,371 units**

Mission Bay

Mission Bay: Sources by Uses

Bond Proceeds and Reserve Balance are primary sources.

Sources ($M) / Uses	Bond Proceeds	Reserve Balance	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure	$42.5	$17.0	-	$13.3	-	$72.8
Professional Services	$3.1	$0.2	$0.7	-	-	$3.9
Art Program	-	-	$1.4	-	-	$1.4
CFD Debt	-	$0.0 *($70k)*	-	-	-	$0.0 *($70k)*
Total	**$45.6**	**$17.2**	**$2.1**	**$13.3**	**-**	**$78.2**

Numbers are slightly off due to rounding.

Infrastructure is primary use.

Mission Bay: Work Program

- **Overview**
  - Facilitate completion of infrastructure including parks, a pump station, and streets
  - Complete P22 (Bayfront Park) and P2/P8 (Mission Creek Park)
  - Construct 1450 Owens
  - Manage existing parks and open space
  - Increase entitlements for housing

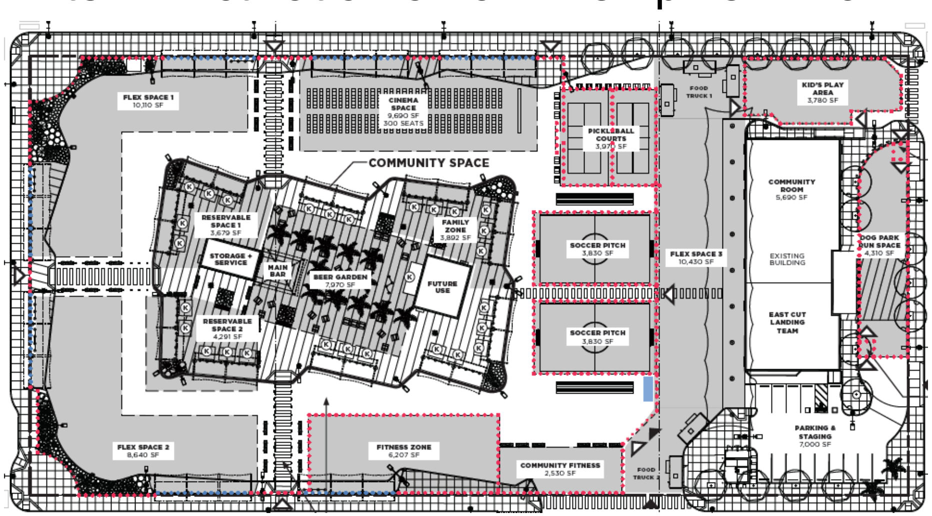
- **Detail**
  - Infrastructure
    - $72.8 million for infrastructure reimbursements
  - Professional Services
    - $3.9 million in Professional Services
  - Art Program
    - $1.4 million for public art in Mission Bay
  - CFD Debt
    - $70k to defease CFD #4 bond.

Transbay

Block 3 Park

Under Ramp Park

Interim Activation of form Temp Terminal



Under Ramp Park

Transbay: Sources by Uses

Bond Proceeds and RPTTF Non-Admin are primary sources.

Sources ($M) / Uses	Bond Proceeds	Reserve Balance	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure	$95.7	-	$6.9	$2.2	-	$104.8
Professional Services	-	-	$0.5	$0.5	-	$1.0
TJPA Pledge	-	-	-	$36.8	-	$36.8
Total	**$95.7**	**-**	**$7.3**	**$39.6**	**-**	**$142.6**

Numbers are slightly off due to rounding.

Infrastructure is primary use.

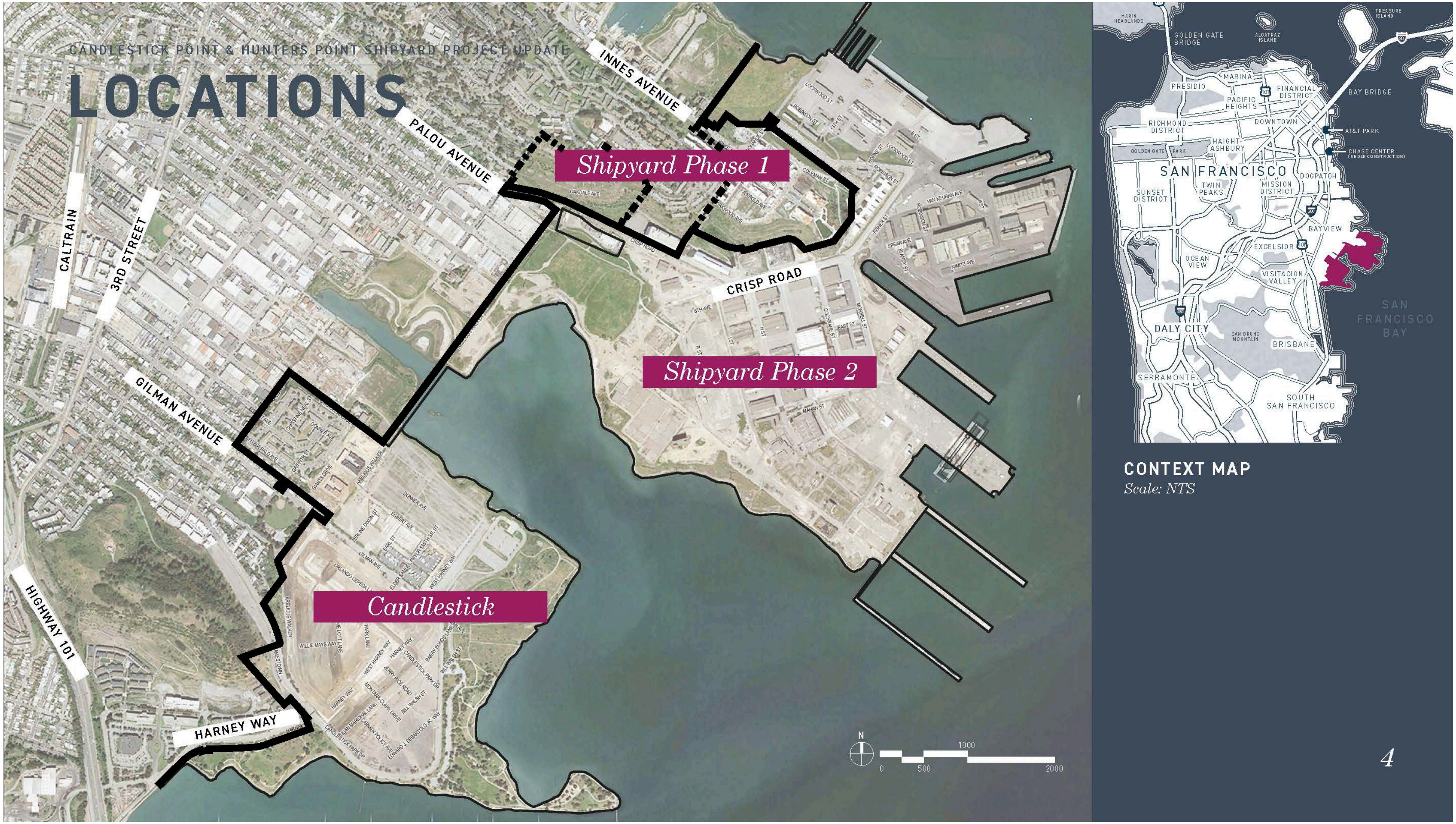
Transbay: Work Program

- **Overview**
  - Design open space: Under Ramp and Transbay Parks and streets and sidewalks adjacent to Transbay Park
  - Facilitate housing development: Transbay Block 4 (mixed-income) and Transbay Block 2 (100% affordable)
  - Activate and manage Temporary Terminal Site and Essex Open Space
  - Monitor Folsom streetscape improvements

- **Detail**
  - **Infrastructure**
    - $104.8 million for predevelopment and constructions of Under Ramp and Transbay Parks (includes new bond issuances) and Folsom Street Improvement Project Long-Term Plant Establishment
    - $155k for Folsom Street Improvement Project Long-Term Plant Establishment
  - **Professional Services**
    - $1.0 million for environmental, legal, management, and consultant services related to the Block developments and property management
  - **TJPA Pledge**
    - $36.8 million pledged to TJPA

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 Balance	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Infrastructure	-	$0.1	$6.4	$1.2	-	$7.7
Professional Services	-	-	$3.3	-	-	$3.3
Community Benefits	-	-	$2.0	-	-	$2.0
Lease Payments to Navy	-	-	$0.4	-	-	$0.4
Total	**-**	**$0.1**	**$12.1**	**$1.2**	**-**	**$13.4**

Numbers are slightly off due to rounding.

Infrastructure is primary use.

HPS/CP: Work Program

- **Overview**
  - Commence construction of 4 development blocks
  - Accept and manage Phase 1 parks
  - Finalize designs for 2 development blocks in HPS Phase 1
  - Implement Community Benefits Agreements
  - Monitor Navy's re-testing and clean up of HPS Phase 2 parcels

- **Detail**
  - **Infrastructure**
    - $7.5 million for Phase 1 and Phase 2
    - $0.2 million is RPTTF for Building 101 improvements
  - **Professional Services**
    - $3.3 million for financial consulting services, legal services, as-needed engineering services, etc.
  - **Community Benefits**
    - $2.0 million in fund balance to be allocated over time through a community process for scholarships and educational improvement and contractor assistance
  - **Lease Payments to Navy**
    - $0.4 million for lease for Parcel B and Building 606

Asset Management

Asset Management: Work Plan

- **Manage on-going development obligations outside of major approved development projects**
- **Implement Long-Range Property Management Plan**

Contract Compliance

Contract Compliance

Support Project Deliveries and Equal Opportunity Programs

- Nondiscrimination and Small Business Enterprises (SBE)
- Local Workforce Hiring
- Prevailing Wage

Funding Request:
Office of Economic and Workforce Development (OEWD)

Sources ($)	Reserve Balance (Infrastructure)	Other Funds	RPTTF Non-Admin (Affordable Housing)	Total
HPS/CP	-	$52,000	10,400	$62,400
Mission Bay	$93,600	$26,000	$26,000	$145,600
Transbay	-	$62,400	$5,200	$67,600
Yerba Buena (706 Mission)	-	$15,600	-	$15,600
Total	**$93,600**	**$156,000**	**$41,600**	**$291,200**

SBE & Workforce
FY21-22 Accomplishments To-Date

Contract Compliance

- Small Business Enterprise ("SBE") Awards (as of December 2021)
  - 62% SBE awards (19 SBE firms, $7.18 million)
- Construction Workforce Monitoring (as of December 2021)
  - 28% Local Hiring by hours (172 SF residents, over 29k hours performed)

Debt

Debt: Sources & Uses

RPTTF Non-Admin is primary source.
Debt Service for existing TAB Bonds is primary use.

Sources ($M) Uses	Bond Proceeds	Reserve Funds	Other Funds	RPTTF Non-Admin	RPTTF Admin	Total
Debt Service - Existing TAB Bonds	-	-	-	$80.0	-	$80.0
Debt Service - New TAB Bonds	-	-	-	$13.3	-	$13.3
Refunding 2016D	$51.6	-	$2.6	$25.0	-	$79.3
Other Debt	-	-	$4.5	$1.1	-	$5.6
Professional Services – Cost of Issuance	$3.0	-	-	-	-	$3.0
Total	**$54.6**	**-**	**$7.1**	**$119.4**	**-**	**$181.2**

Debt: New Issuance & Refunding

- **$165.4 million total principal**
  - $147.6 million total project funds, 2% COI, 10% Reserve
  - 7% rate over 30 years
- **Transbay**
  - $89.0 million taxable tax allocation bond
  - $8.0 million estimated annual debt service
  - Fund Transbay Park and Under Ramp Park
- **Mission Bay**
  - $58.6 million refunding tax allocation bond
  - $5.3 million estimated annual debt service
  - Refund 2016D bond
  - Maintain funding for Mission Bay South infrastructure work

Operations

Operations: Sources & Uses

RPTTF Non-Admin and Other Funds are primary sources.

Operations	Amount ($M)
Sources	
Bond Proceeds	$0.1
Reserve Balance	$1.0
Other Funds	$6.6
RPTTF Non-Admin	$7.2
RPTTF Admin	$3.9
Total	**$18.7**
Uses	
Salaries and Benefits	$9.4
Non-Labor	$5.0
Retiree Health and Pension	$4.3
Total	**$18.7**

Operations: Uses Detail

Current staff and retirement benefits drive operating costs

- **$18.7M Existing Staff Salaries & Benefits**
  - 55 Full Time Equivalent (FTE) positions, no change
  - COLA, estimated
- **$5.0M in Non-Labor Costs**
- **$4.3M Retiree Obligations**
  - $2.7M for current pension
  - $1.6M for current retiree health benefits

Operations: Sources & Uses YOY

RPTTF Non-Admin and Other Funds continue to be primary sources.

Operations	ROPS PY Amount ($M)	ROPS CY Proposed ($M)	Difference ($M)	Explanation
Sources				
Bond Proceeds	$0.4	$0.1	($0.3)	Decrease due to reduction in use of Bond Proceeds to fund bond administration costs. Bond administration will be funded primarily by Other Funds.
Reserve Balance	$1.9	$0.9	($1.0)	Decrease due to prior year expenditure.
Other Funds	$5.9	$6.6	$0.7	Increase due to use of Other Funds to fund staffing and bond administration costs.
RPTTF Non-Admin	$6.3	$7.2	$0.9	Increase due to spend down of Reserve Balance in prior year, requiring new RPTTF Non-Admin to fund costs in current year
RPTTF Admin	$4.9	$3.9	($1.0)	Decrease due to formula.
Total	**$19.4**	**$18.7**	**($0.7)**	
Uses				
Salaries and Benefits	$9.3	$9.4	$0.1	Increase due to COLA, per MOU.
Non-Labor	$5.6	$5.0	($0.6)	Decrease due to identified cost efficiencies.
Retiree Health and Pension	$4.5	$4.3	($0.2)	Decrease due to prior year payments to reduce long-term liabilities.
Total	**$19.4**	**$18.7**	**($0.7)**	

Operations: Non-Labor Expenditure

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

Department	Amount ($M)
Work Orders with City Departments	$2.5
Professional Services	$0.7
Other Current Expenses	$0.6
Insurance	$0.6
Software and Information Technology	$0.4
Legal Services	$0.3
Total	**$5.0**

Operations: Work Orders with City Departments Detail

Work Orders with ADM for Rent, Mail, OLSE & with Mayor's Office of Housing are largest.

Department	Service	Amount ($M)
Office of City Administrator (ADM)	Rent, Mail, OLSE	$1.0
Mayor's Office of Housing (MOH)	Affordable Housing Services	$0.9
Controller	Accounting and Audit Services	$0.3
Department of Technology	IT Services	$0.3
Office of Economic and Workforce Development (OEWD)	Contract Compliance Support	$57k
City Attorney	Legal Services	$50k
Treasurer Tax Collector	Investment Management	$30k
Planning Department	Planning Review	$1k
Total		**$2.6**

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 Admin and City/County Loan Repayments.

RPTTF Admin	
21-22 Actual RPTTF Non-Admin Distribution	$133,258,661
Less 21-22 Approved RPTTF Admin	$4,264,575
Less Prior Year City/County Loan Repayments	$0
Sub-Total	$128,994,086
Rate	3%
22-23 RPTTF Admin	$3,869,823
YOY RPTTF Admin Change	-$394,752

Retirement of ROPS Lines

Line	Description	Explanation
72	CAL ReUSE	Line retired due to close out of grant.
306	Tax Allocation Bond Series 2007B	Line retired due to bond defeasance.
380	HPS Phase 2 DDA-Community Benefits Agreement	Line retired due to disbursement of funds for SE Health Center.

New ROPS Lines

Line	Description	Explanation
435	Tax Allocation Bond Series 2022A - Infrastructure Bond	Debt service payment line for new bond
436	Tax Allocation Bond Series 2022B – Refunding Bond	Debt service payment line for new bond
437	Mission Bay South Block 4E	Affordable housing loan

ROPS 22-23 Process

- **1/10/22** ROPS Oversight Board Workshop
- **1/18/22** ROPS Commission Workshop
- **1/24/22** ROPS Oversight Board Approval Action
- **2/1/22** ROPS Submission to DOF

Questions?