107-0752024-002

Agenda Item **No. 5(A)**
Meeting of January 30, 2025

MEMORANDUM

TO: Oversight Board

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Approving the Recognized Obligation Payment Schedule for July 1, 2025 to June 30, 2026 ("ROPS 25-26")

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure ("OCII") is the Successor Agency to the former San Francisco Redevelopment Agency. The proposed Oversight Board ("OB") Resolution No. 01-2025 requests approval of OCII's Recognized Obligation Payment Schedule for July 1, 2025 to June 30, 2026 ("ROPS 25-26"). Staff presented a draft ROPS 25-26 to the OB on January 16, 2025. Staff sent the proposed ROPS 25-26 and an informational memorandum to the Successor Agency Commission on January 17, 2025 in preparation for a January 21, 2025 workshop, which was subsequently cancelled for a lack of quorum. As of the date of the OB meeting mailing, staff had not received any questions from individual Commissioners about the proposed ROPS 25-26. The total proposed ROPS is $630,134,999, funded by $348,152,597 in Bond Proceeds, $40,097,959 in Reserve, $104,966,554 in Other Funds, and $132,955,452 in Redevelopment Property Tax Trust Fund ("RPTTF") Non-Admin, $345,118 in RPTTF Residual, and $3,617,319 in RPTTF Admin. OCII will expend the majority of these funds on affordable housing loans, projects for the Transbay Project Area, and debt service.

Staff recommends approval of the proposed resolution.

DISCUSSION

Redevelopment Dissolution Law required Successor Agencies to create a ROPS to set forth the revenue sources and payment amounts for enforceable obligations for a twelve-month fiscal period that begins July 1 and ends June 30. ROPS are due to the Department of Finance ("DOF") and the County Auditor Controller on February 1 of each year.

The proposed OB Resolution No. 01-2025 requests approval of ROPS 25-26. On January 16, 2025, OCII presented a workshop to the OB on the ROPS 25-26. On January 17, 2025, OCII staff sent the proposed ROPS 25-26 and an informational memorandum to the Successor Agency Commission. The Commission did not hold a workshop, due to lack of quorum, on the proposed ROPS 25-26 and did not submit any individual questions. The ROPS 25-26 requests a total expenditure authority of $630,134,999 for the period July 1, 2025, through June 30, 2026.

WORKSHEETS

For further detail on the ROPS 25-26 there are four worksheets included as attachments to Resolution 01-2025 and described below.

1. Attachment A-1, ROPS 25-26– Detail Worksheet" shows the projected revenue sources and payment amounts for July 1, 2025 to June 30, 2026.
2. Attachment A-2, "ROPS 25-26– Notes Worksheet" justifies the payment amounts and provides greater detail where required.
3. Attachment A-3, "Cash Balances Report" shows the beginning cash balances, expenditures, and remaining cash balances for the period from July 1, 2022 through June 30, 2023.
4. Attachment A-4 "ROPS 25-26 Summary" shows the summary of the ROPS 25-26 Detail Worksheet.

Attachment A-5 is the memorandum provided to the OB for the January 30, 2025 meeting and summarizes the ROPS 25-26 and OCII's 25-26 work program.

ROPS 25-26 Detail Worksheet

Attachment A-1, ROPS Detail Worksheet, to Resolution 01-2025 shows the total ROPS 25-26, including proposed changes. The total proposed ROPS 25-26 is $630,134,999, funded by $348,152,597 in Bond Proceeds, $40,097,959 in Reserve, $104,966,554 in Other Funds, and $132,955,452 in Redevelopment Property Tax Trust Fund ("RPTTF") Non-Admin, $345,118 in RPTTF Residual, and $3,617,319 in RPTTF Admin.

ROPS 25-26 Notes Worksheet

Attachment A-2, ROPS 25-26 Notes Worksheet, to Resolution 01-2025 provides notes to the ROPS 25-26 Detail worksheet. This is an optional form that provides additional information or explains unique circumstances.

ROPS 25-26 Cash Balances Report

Attachment A-3, Cash Balances Report, to Resolution 01-2025 shows the change in the cash balances for Bond Proceeds, Reserve Balances, Other Funds, and RPTTF Non-Admin and RPTTF Admin from July 1, 2022, to June 30, 2023. The balances are detailed below.

- $0 in Bond Proceeds for Bonds Issued on or before December 31, 2010
- $0 in Bond Proceeds for Bonds Issued on or after January 1, 2011
- $0 in Prior ROPS RPTTF and Reserve Balances retained for future period(s)
- $0 in Other Funds
- $0 in RPTTF Non-Admin and Admin

The Cash Balances Report demonstrates that all OCII funds have been allocated to expenditures on enforceable obligations and OCII has no unallocated cash.

ROPS 25-26 Summary

Attachment A-4, ROPS 25-26 Summary, to Resolution 01-2025 brings together data from the other ROPS worksheets. The Summary shows the current 25-26 period (July 1, 2025 to June 30, 2026) enforceable obligations of $630,134,999.

NEXT STEPS

Pending OB approval, staff will submit the ROPS 25-26 prior to February 1, 2025. DOF will make its determination of the enforceable obligations, and the amounts and funding sources of the enforceable obligations, within 45 days of submission.

Should OCII wish to dispute any of DOF's determinations, OCII may request a meet and confer with DOF. The meet and confer request must be made within five business days of DOF's determination, and DOF will notify OCII and the Controller as to the outcome of that review at least 15 days before the June 1, 2026 property tax distribution. Staff will provide updates to the OB as necessary.

(Originated by Mina Yu, Senior Budget & Project Finance Manager)

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Thor Kaslofsky
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Thor Kaslofsky
Executive Director