

Community Facilities Districts (CFD) Budget Action

April 19, 2022



Agenda

- **CFD Background**
- **CFD Budgets and Workplans**
- **Next Steps**

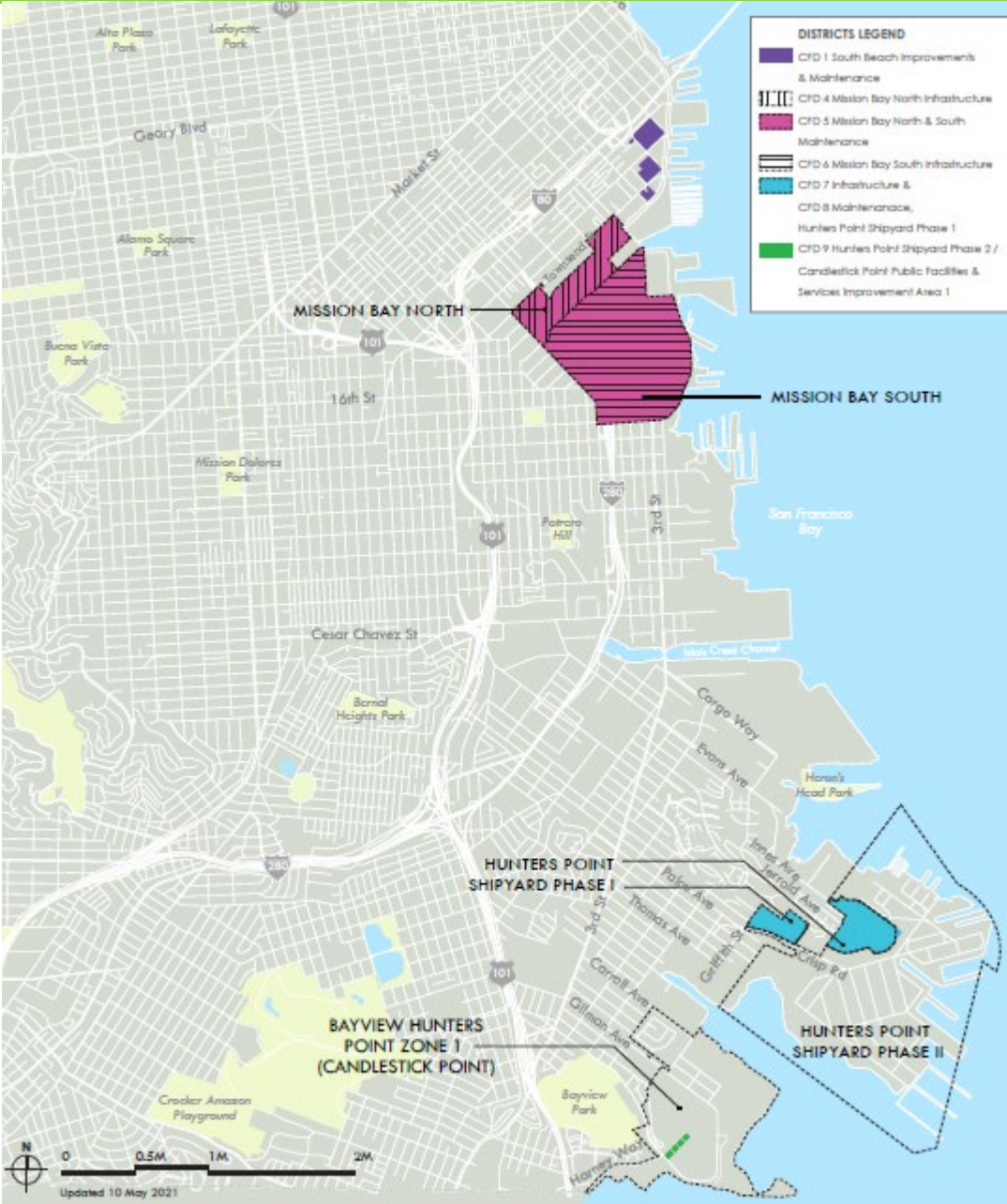
CFD Background

- **A CFD is a voter approved district that levies a special tax based on the unique tax formula (RMA) approved by the Commission at formation; taxes must be spent on the district's public facilities identified at formation.**
- **OCII has two kinds of CFDs**
 - Infrastructure CFDs provide a revenue source for infrastructure
 - Maintenance CFDs fund services on an on-going basis
- **OCII's seven CFDs cover multiple project areas:**
 - South Beach / Rincon Point
 - Mission Bay North and South
 - Hunters Point Shipyard Phase 1
 - Candlestick Point / Hunters Point Shipyard Phase 2
- **Under the Mello-Roos Act, the Commission is the legislative body for the CFDs and OCII staff administers the CFDs; CFD authority is separate from redevelopment dissolution requirements.**

CFD Background

OCII CFD

Geographic Boundaries



CFD Budget

Proposed FY 22-23 Budget for all CFDs is \$24.9M, with \$18.9M funded from 22-23 Special Tax Levy

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax	Fund Balance	Mission Bay North Property Tax	Total	% FY 22-23 Special Tax
Debt Service	Debt service for previously issued debt	\$ 11,261,249	\$ -	\$ 70,000	\$ 11,331,249	59.6%
Maintenance and Operations	Professional services to maintain park system	\$ 3,313,358	\$ -	\$ -	\$ 3,313,358	17.5%
Capital	Planned capital expenses	\$ 459,300			\$ 459,300	2.4%
Infrastructure Reimbursements	Direct payments for infrastructure or reimbursements to developer infrastructure	\$ 2,607,766	\$ 5,891,270	\$ -	\$ 8,499,036	13.8%
Maintenance Reserve	Reserve for future maintenance and operations expenditures	\$ 373,563	\$ -	\$ -	\$ 373,563	2.0%
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 750,932	\$ -	\$ -	\$ 750,932	4.0%
Contingency	Unplanned expenditure	\$ 139,228	\$ -	\$ -	\$ 139,228	0.7%
Total		\$ 18,905,396	\$ 5,891,270	\$ 70,000	\$ 24,866,666	100.0%

CFD 1: South Beach / Rincon Point Project Area

CFD 1 is a maintenance CFD for Rincon Point South Beach



CFD 1: South Beach / Rincon Point Project Area

Expenditure of \$75K to fund tree and streetscape replacement

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain open space, including tree maintenance	\$ 111,301	\$ -	\$ 111,301
Capital Repair (existing contract)	Planned repairs on existing capital	\$ 14,800	\$ -	\$ 14,800
Capital Repair (amended contract)	Planned repairs on existing capital	\$ 47,769	\$ 27,230	\$ 74,999
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 22,588	\$ -	\$ 22,588
Total		\$ 196,458	\$ 27,230	\$ 223,688

Workplan

- Provide landscape maintenance for four public plazas and streetscape maintenance on several City blocks within the Project Area
- Prepare long-term projections for capital maintenance to identify appropriate size for maintenance reserve

Mission Bay North and South Project Areas

There are three CFDs in Mission Bay

- CFD 4 is an inactive infrastructure CFD for Mission Bay North
- CFD 6 is an infrastructure CFD for Mission Bay South
- CFD 5 is a maintenance CFD for Mission Bay North and South



CFD 4: Mission Bay North Infrastructure

- \$70k in Mission Bay North property tax to call remaining 2002 variable rate bonds and fully defeasance remaining outstanding debt
- \$6.25M in outstanding bonds were repaid with bond proceeds due to uncertainty of timing for completion of public facilities
- CFD #4 does not levy a special tax, property tax is the only available funding source

CFD 6: Mission Bay South Infrastructure

Primary expenditure is debt service on bonds previously used to reimburse developer for construction of public facilities

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax
Debt Service	Debt service for previously issued debt	\$ 9,295,136
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 199,161
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$ 1,895,165
Total		\$ 11,389,463

Workplan

- Work with FOCIL-MB to identify the value total remaining reimbursement
- Refund 2005 and 2013 CFD

CFD 5: Mission Bay North / South Maintenance

Primary expenditure is maintenance of parks and open space

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax
Maintenance and Operations	Professional services to maintain park system including landscaping, janitorial, and security	\$ 2,426,947
Capital Expenses	Planned capital expenses	\$ 59,500
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 169,865
Contingency Reserve (3.8%)	Unplanned expenditure	\$ 103,773
Total		\$ 2,760,085

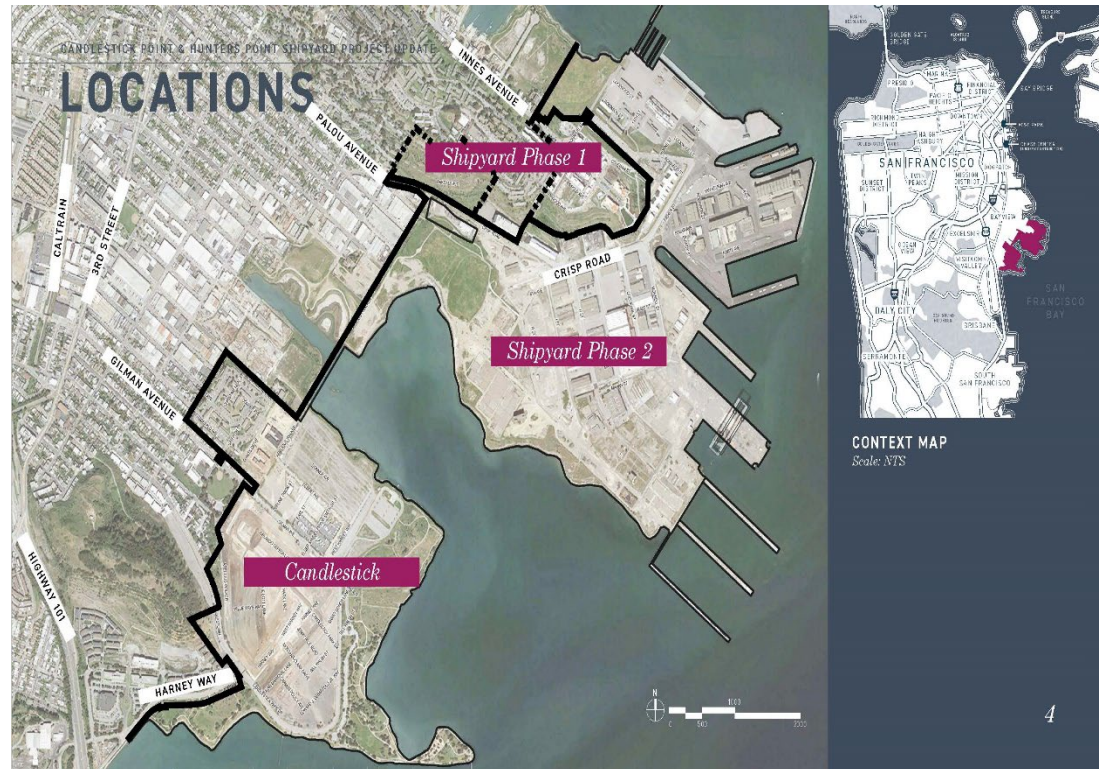
Workplan

- Maintain 24.3 acres of passive and active park space, including 1.7 new acres
- Work with RPD and Port to transition completed parks to original owner

Hunters Point Shipyard / Candlestick Point

There are three CFDs in HPS/Candlestick Point

- CFD 7 is an infrastructure CFD for Hunters Point Shipyard Phase 1
- CFD 8 is a maintenance CFD for Hunters Point Shipyard Phase 1
- CFD 9 is an infrastructure and maintenance CFD for Hunters Point Shipyard/Candlestick Point Phase 2



CFD 7: Hunters Point Shipyard Infrastructure

Primary expenditure is infrastructure reimbursement

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax	Fund Balance	Total
Debt Service	Debt service for previously issued debt	\$ 1,966,113	\$ -	\$ 1,966,113
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 185,115	\$ -	\$ 185,115
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$ 664,831	\$ 5,864,040	\$ 6,528,871
Total		\$ 2,816,059	\$ 5,864,040	\$ 8,680,099

Workplan

- Process first infrastructure reimbursement in 5+ years, reimbursement will repay developer for costs accumulated over multiple years and will fully expend fund balance

CFD 8: Hunters Point Shipyard Phase 1 Maintenance

Primary expenditure is maintenance of parks and open space

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax
Maintenance and Operations	Professional services to maintain and operate Park System	\$ 775,110
Capital Expenses	Planned capital expenses for Park System	\$ 385,000
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 147,414
Contingency Reserve (2.4%)	Unplanned expenditure	\$ 32,776
Total		\$ 1,340,300

Workplan

- Maintain 5 acres of active park space, 13 acres of open space and the Site Office Building
- Prepare long-term projections to identify appropriate size for maintenance reserve

CFD 9: Hunters Point Shipyard Phase Two Project Area

**Infrastructure and open space in CFD 9 are in the planning stage,
therefore primary expenditure is Maintenance Reserve**

Expenditure Type	Expenditure Detail	FY 22-23 Special Tax
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 26,788
Contingency Reserve (10%)	Reserve for unexpected maintenance and operations expenses	\$ 2,679
Maintenance Reserve	Reserve for future maintenance and operations expenditures	\$ 373,563
Total		\$ 403,030

Workplan

- Prepare long-term projections for park operations to identify appropriate size for maintenance reserve

FY 22-23 CFD Budget

Majority of expenditure is in infrastructure CFDs

Expenditure	CFD 1	CFD4	CFD5	CFD6	CFD7	CFD8	CFD 9	Total
Debt Service		\$70,000		\$ 9,295,136	\$1,966,113			\$11,331,249
Maintenance and Operations	\$111,301		\$2,426,947			\$ 777,255		\$ 3,315,503
Capital	\$ 14,800		\$ 59,500			\$ 385,000		\$ 459,300
Infrastructure	\$ 74,999			\$ 1,895,165	\$6,528,871			\$ 8,499,036
Maintenance Reserve							\$373,563	\$ 373,563
Administrative Expenses	\$ 22,588		\$ 169,865	\$ 199,161	\$ 185,115	\$ 147,414	\$ 26,788	\$ 750,932
Contingency			\$ 103,773			\$ 30,521	\$ 2,679	\$ 136,972
Total	\$223,688	\$70,000	\$2,760,085	\$ 11,389,463	\$8,680,099	\$1,340,190	\$403,030	\$24,866,555

Majority of expenditure is debt service and infrastructure reimbursement

Next Steps

- Staff recommend approval of the proposed FY 22-23 CFD Budget
- Staff will work special tax consultant to determine final levy in August 2022

CFD Budget Workshop

Questions / Comments

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Press #, then press # again

- Press *3 to submit your request to speak
- Wait for your line to be unmuted
- You will have 3 minutes to provide a comment

CFD Background

CFD	Title	Formation Year	Infrastructure / Maintenance	Term	Outstanding Debt (Millions) August 2021	Available Bond Capacity (Millions) August 2021
CFD 1	South Beach Improvements and Maintenance	1988	Infrastructure / Maintenance	Facilities – Ended; Services – No Sunset	\$0.0	\$0.0
CFD 4	Mission Bay North Public Improvements	1999	Infrastructure	2032* (last debt service payment)	\$6.3	\$0.0
CFD 5	Mission Bay (North and South) Maintenance District	1999	Maintenance	FY 2043-44	N/A	N/A
CFD 6	Mission Bay South Public Improvements	2000	Infrastructure	2050	\$115.8	\$56.3
CFD 7	Hunters Point Shipyard Phase One Improvements	2005	Infrastructure	FY 2055-56	\$31.8	\$30.5
CFD 8	Hunters Point Shipyard Phase One Maintenance	2008	Maintenance	No sunset	N/A	N/A
CFD 9	Hunters Point Shipyard Phase 2 / Candlestick Point Public Facilities and Services	2018	Infrastructure / Maintenance	Facilities - NTE 75 years; Services - No Sunset	\$0.0	\$202.0 (project area 1)