

FY 2021-22 Budget Workshop

April 6, 2021



Structure of Presentation

- Budget Timeline
- Budget Sources
- Budget Uses
- Infrastructure & Non-Housing
- Affordable Housing
- Development Services & Real Estate Admin. Activities
- Community Development & Workforce
- Racial Equity Planning
- Debt
- Operations
- Budget Summary
- CFD Budget

Budget: FY21-22 Process

- 1/11/21 OSB ROPS Workshop
- 1/19/21 Commission Workshop
- 1/25/21 OSB ROPS Action
- 4/6/21 Commission Budget Workshop
- 4/15/21 DOF Decision on ROPS
- 4/20/21 Commission Budget Action
- 5/1/21 Mayor's Budget Office Submission
- 6/1/21 Board of Supervisors Submission

Budget: FY21-22 Sources

*Primary Budget Sources are
Property Tax, Fund Balance, and Bonds.*

Sources	Amount (M)	Percent
Property Tax	\$148.3	26.2%
Bonds	\$119.8	21.2%
Developer Payments	\$62.8	11.1%
Other Funds	\$8.2	1.5%
Fund Balance	\$130.3	23.0%
Prior Period Authority*	\$96.4	17.0%
Total Sources	\$565.8	100.0%

*Prior Period Authority is expenditure carried forward from FY20-21, including affordable housing loans awarded but not yet drawn down fully and multi-year construction budgets.

Budget: FY21-22 Uses

*Primary Uses are
Affordable Housing and Infrastructure & Other Non-Housing.*

Uses	Amount (M)	Percent
<u>Direct Program Spending</u>		
Affordable Housing	\$269.3	47.6%
Infrastructure & Other Non-Housing	\$126.5	22.4%
Community Development & Workforce	\$4.3	0.8%
Direct Programmatic Subtotal	\$400.1	70.7%
<u>Indirect Program Spending</u>		
Asset Management	\$3.2	0.6%
Project Management & Operations	\$19.1	3.4%
Debt	\$112.9	19.6%
Pass-through to TJPA	\$30.2	5.3%
Other	\$0.4	0.1%
Indirect Programmatic SubTotal	\$165.8	29.3%
Total	\$565.8	100.0%

Infrastructure & Non-Housing

Infrastructure & Non-Housing: FY21-22 Sources by Uses

FY21-22 Infrastructure & Non-Housing Work Plan has a \$126.5M budget.

Sources (M) Uses	Developer Payments	New Bonds	Property Tax	Fund Balance	Prior Period Authority	Total by Use
Development Infrastructure	\$0.0	\$0.0	\$1.1	\$43.0	\$54.6	\$98.7
Legal Services	\$1.1	\$0.0	\$0.0	\$0.0	\$0.0	\$1.1
Other Professional Services	\$1.8	\$0.0	\$0.5	\$3.9	\$0.0	\$6.1
Planning & Infrastructure Review	\$5.0	\$0.0	\$1.7	\$0.0	\$0.0	\$6.7
Prior Period Authority - Non-Housing	\$0.0	\$0.0	\$0.0	\$0.0	\$12.7	\$12.7
Public Art	\$0.0	\$0.0	\$0.0	\$1.1	\$0.0	\$1.1
Total	\$7.9	\$0.0	\$3.3	\$48.0	\$67.3	\$126.5

Infrastructure & Non-Housing: FY21-22 Project Completions

*OCII will complete 1 park project in FY21-22:
Park P3 (along Mission Creek between 3rd & 4th Streets)*

	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Total
Parks and Open Space Projects	1	0	0	1

Mission Bay North & South



MBN & MBS: FY21-22 Budget & Workplan Overview

Work Program	Budget Category	FY21-22 Budget (M)
Infrastructure Reimbursement		
Reimbursement of Infrastructure (Streets, Parks P3, P22 & P19, and Stormwater Pump Stations)	Development Infrastructure	\$86.9
Plans & Permit Review		
Land Use: Design review for residential and other uses	Staffing & Operating Expenses	\$1.6
- Infrastructure: Parks (P2/P8) - Commercial: Design review of a new building, tenant imprvmnts. - Reimbursement of City Agencies for its review of infrastructure work.	Other Professional Services	\$3.9
Public Art Program		
MOU with Arts Commission to install Public Art in park parcel	Public Art	\$1.1
Total		\$93.6
Mission Bay Parks Management	CFD #5 (Maintenance & Ops.)	\$2.7

MBN & MBS: FY21-22 Sources by Uses

*Primary Source is Property Tax;
Primary Use is Infrastructure.*

Uses	Sources (M)	Developer Payments	Bond Proceeds	Property Tax (Prior Year and Current Year)	Public Art Fees	Total
Infrastructure Development			\$45.6	\$41.3		\$86.9
Staffing & Operating Expenses		\$0.5		\$1.1		\$1.6
Other Professional Services				\$3.9		\$3.9
Public Art					\$1.1	\$1.1
Total		\$0.5	\$45.6	\$46.3	\$1.1	\$93.6

MBN & MBS: Project Photos

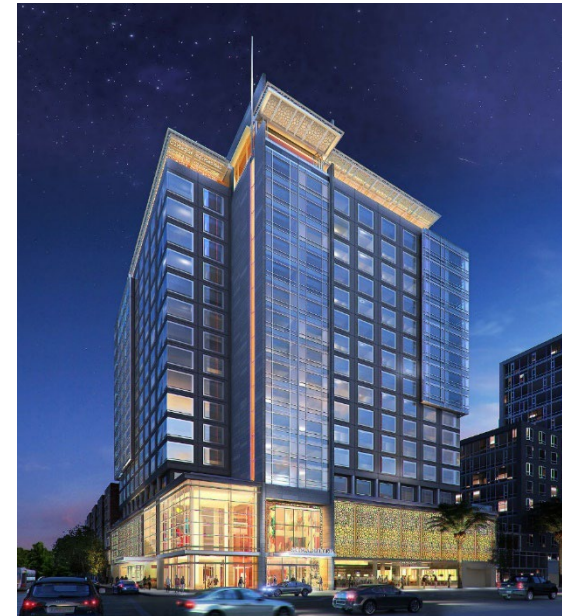
P3



P22 - Bayfront Park



SOMA Hotel



Office of Community Investment and Infrastructure

Transbay



Transbay: FY21-22 Budget & Workplan Overview

Work Program	Budget Category	FY21-22 Budget (M)
Infrastructure Development		
- Construction: Folsom Streetscape close out - Design: Block 3 Park & Under Ramp Park	Development Infrastructure	\$16.7
Pass-through to TJPA	Property Tax	\$30.2
Plans & Permit Review		
- Land Use: Block 4 Approvals - Infrastructure: Block 3 Park - Housing: Blocks 1 and 9 project close-out	Staffing & Operating Expenses	\$1.8
	Legal Services	\$0.0 (\$50k)
	Other Professional Services	\$1.0
Total		\$49.7

**Numbers are slightly off due to rounding.*

Transbay: FY21-22 Sources by Uses

*Primary Source is Property Tax;
Primary Uses are Infrastructure & TJPA Pass-Through.*

Sources (M)	Bond Proceeds	Developer Payments	Park Fees	Property Tax	Total
Uses					
Development Infrastructure	\$8.1		\$6.9	\$1.7	\$16.7
Staffing & Operating Expenses		\$1.4		\$0.4	\$1.8
Legal Services		\$0.0 (\$30k)		\$0.0 (\$20k)	\$0.0 (\$50k)
Other Professional Services		\$0.5		\$0.5	\$1.0
Pass-through to TJPA				\$30.2	\$30.2
Total	\$8.1	\$1.9	\$6.9	\$32.8	\$49.7

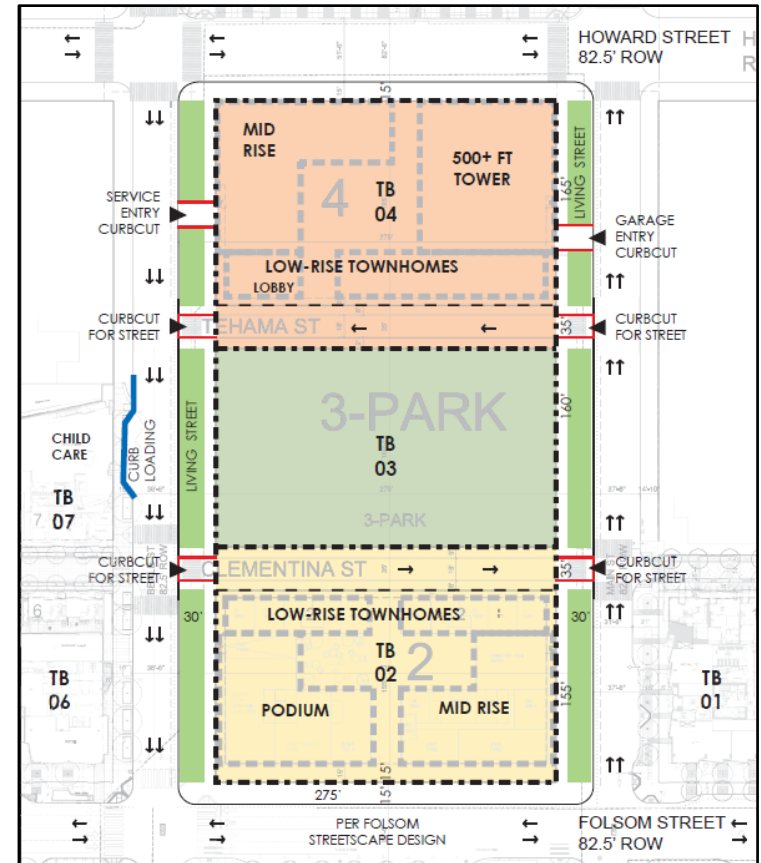
**Numbers are slightly off due to rounding.*

Transbay: Project Renderings & Photos

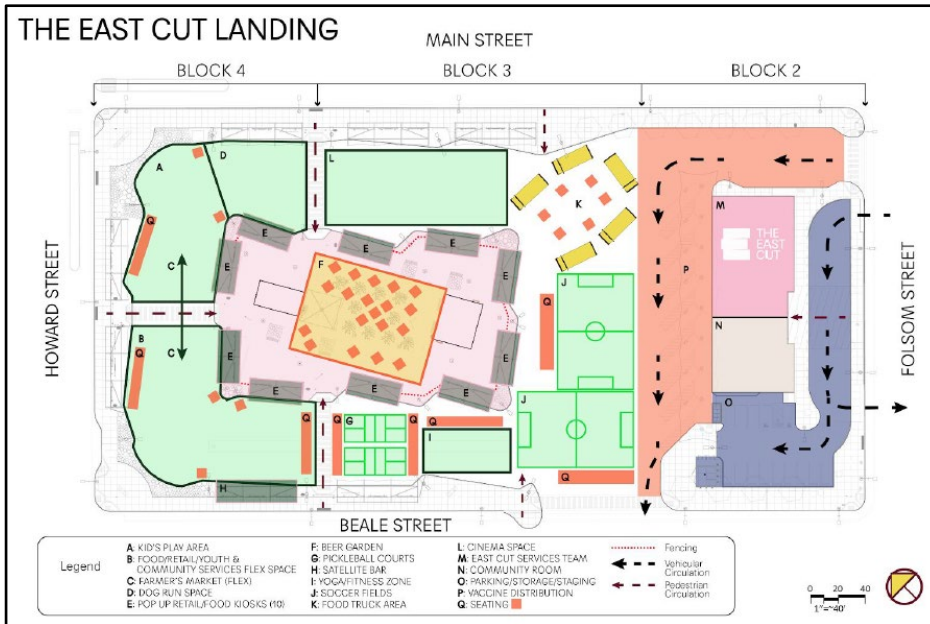
Transbay Block 3 Park



Transbay Blocks 2-3-4 (Temp Terminal Site)



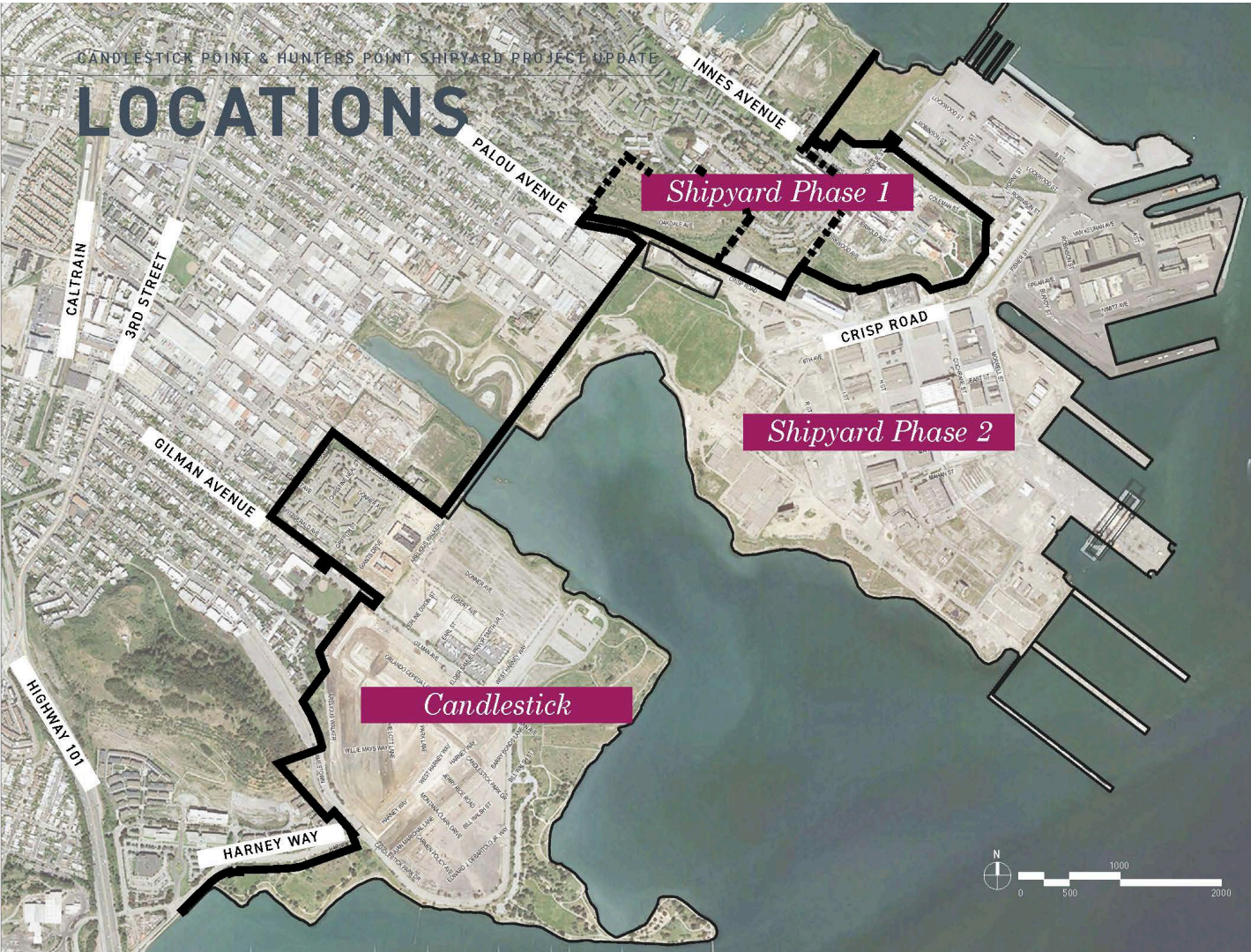
THE EAST CUT LANDING



Temp Terminal Interim Activation

Office of Community Investment and Infrastructure

Hunters Point Shipyard Phases 1 & 2 / Candlestick Point



CONTEXT MAP
Scale: NTS

HPS/CP: FY21-22 Budget & Workplan Overview

Work Program	Budget Category	FY21-22 Budget (M)
Plans & Permit Review		
- Land Use: Candlestick - Infrastructure: HPS1 parks - Housing: HPS1 Blocks 1 & 52	Staffing & Operating Expenses	\$2.6
	Legal Services	\$1.1
	Planning & Infrastructure Review	\$5.0
	Other Professional Services	\$1.4
Community Benefits Grants		
Education Programs, Contractor Assistance, SE Health Center	Grants to Community Based Organizations	\$4.1
Infrastructure Reimbursement		
Reimbursement of Predevelopment Costs	Infrastructure Development	\$2.8
Asset Management		
Artists' Lease Payments	Payments to Other Public Agencies	\$0.4
EDA Grant		
Building 101 Improvements	EDA Grant & Local (OCII) Match	\$3.2
Total		\$20.6
HPS Phase 1 Parks Management	CFD #8 (Maintenance &Ops.)	\$1.2

HPS/CP: FY21-22 Sources by Uses

*Primary Source is Developer Payments;
Primary Use is Planning & Infrastructure.*

Sources (M)	Bond Proceeds	Developer Payments	Fund Balance	Property Tax	Rent	Total
Uses						
Staffing & Operating Expenses		\$2.6				\$2.6
Legal Services		\$1.1				\$1.1
Planning & Infrastructure		\$5.0				\$5.0
Other Professional Services		\$1.4				\$1.4
EDA Grant				\$0.3	\$2.9	\$3.2
Grants to CBO's		\$1.9	\$2.2			\$4.1
Infrastructure Development			\$1.7	\$1.1		\$2.8
Workforce Development		\$0.1				\$0.1
Payments to Other Agencies					\$0.4	\$0.4
Total	\$-	\$12.0	\$3.9	\$1.4	\$3.3	\$20.6

HPS/CP: Project Photos

Phase 1 Parks



Artists' Building 101 Improvements



Affordable Housing



CHINA BASIN ST. VIEW LOOKING EAST

Mission Bay South Block 9

Affordable Housing: FY21-22 Budget & Workplan Overview

Work Program	Budget Category	FY21-22 Budget (M)
New Affordable Housing Loans		
- Four new construction loans - One new predevelopment loan	Affordable Housing Loans	\$239.7
Existing Affordable Housing Loans (<i>funding continuation</i>)		
- Two construction loans - Four predevelopment loans	Prior Period Authority - Housing	\$29.1
Other Housing Activities		
- Loan underwriting & admin - Asset transfers - Marketing	Staffing & Operating Expenses	\$2.3
	Professional Services	\$1.9
Total Housing Budget		\$273.0

Affordable Housing

Work program includes 5 new and 6 existing affordable housing loans.

Project	Type	Amount (\$M)	Number of Units*
Existing Loans			
AG 4**	Construction Loan	\$0.3	31 units
MBS 9	Construction Loan	\$18.2	141 units
CP Block 11a	Predevelopment Loan	\$1.2	176 units
CP Block 10a	Predevelopment Loan	\$1.6	156 units
Transbay Block 2 West	Predevelopment Loan	\$3.5	153 units
Transbay Block 2 East	Predevelopment Loan	\$3.5	101 units
New Loans			
HPS Block 52/54	Construction Loan	\$68.1	112 units
HPS Block 56	Construction Loan	\$42.6	73 units
MBS 9a	Construction Loan	\$78.3	148 units
MBS 12 West	Predevelopment Loan	\$3.5	165 units
Transbay Block 4	Construction Loan	\$48.0	192 units
Total		\$268.8	1,448 units

**Estimates subject to change*

***AG 4 loan – residual funds to be reprogrammed in future FY*

Affordable Housing: FY21-22 Highlights

1. Existing Loan example:



Mission Bay Block 9

2. New Loan examples:

EAST VIEW



Mission Bay South Block 9a

BLOCK 52



Hunters Point Shipyard Blocks 52/54

Development Services & Real Estate Administration Activities

Development Services: Sources by Uses

*\$6.8M in specifically allocated funds;
All sources fund Mexican Museum.*

Uses	Sources (\$M)	Bond Proceeds	Reserve Funds	Other Funds	Property Tax	Total
Mexican Museum		\$5.6	-	\$1.2	-	\$6.8
Total		\$5.6	-	\$1.2	-	\$6.8



Development Services: 21-22 Work Plan

- Mexican Museum:
 - Finalize and administer Fifth Grant Disbursement Agreement for \$5.6M component of Museum funding;
 - Finalize endowment agreement and transfer \$1.2M component of Museum funding for Operating Endowment
- Finalize and oversee contract for implementation of temporary activation strategy for Temporary Terminal Site
- Support Project Management in negotiating real estate agreements (e.g., DDAs, Ground Leases and Loan Agreements)
- Continue disposition of OCII Assets under the LRPMP, including transfer of completed affordable housing developments to Housing Successor

Community Development & Workforce

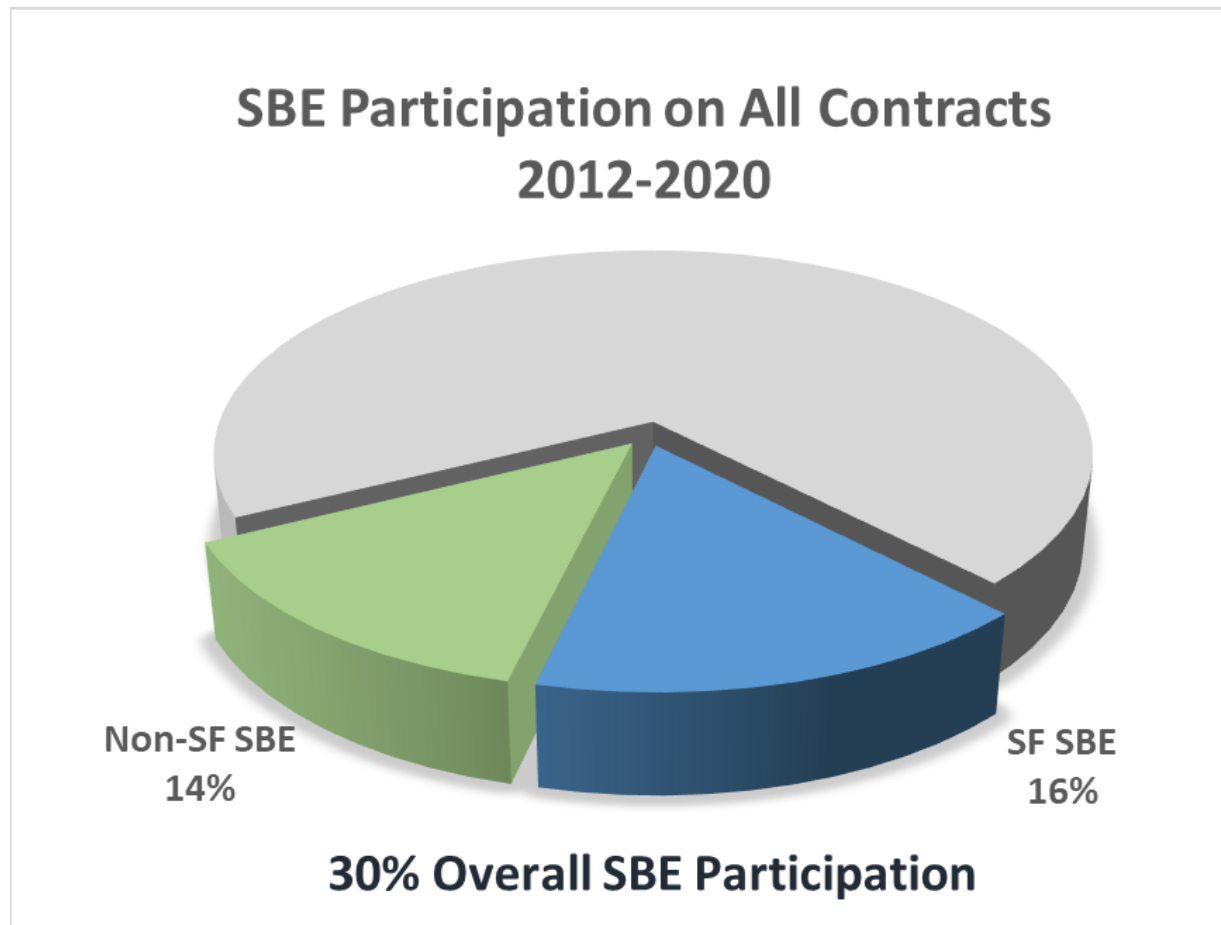
Comm. Dev. & Workforce: FY21-22 Sources by Uses

Community Development & Workforce budget reflects \$4.3M in costs.

Sources (M)	Developer Payments	Fund Balance	Property Tax	Grand Total
Uses				
Grants to Community-Based Organizations	\$1.9	\$2.2		\$4.1
Other Professional Services	\$0.1			\$0.1
Workforce Development Services	\$0.1		\$0.1	\$0.2
Total	\$2.1	\$2.2	\$0.1	\$4.3

Community Development & Workforce: \$1.68B Awarded to SBEs

OCII has overseen award of \$5.5 billion in contracts with over \$1.68 billion credited to small business enterprises (“SBE”s).



Community Development & Workforce: FY20-21 Accomplishments

Contract Compliance

- Small Business Enterprise (“SBE”) Awards (as of January 2021)
 - 20 SBE firms
 - \$5M in contracts to SBEs (89%)
- Construction Workforce Monitoring (as of January 2021)
 - 3,935 workers
 - 700,600 hours
 - \$40M wages
 - 16% SF residents

Racial Equity Planning

Racial Equity Planning

- First phase of OCII's Racial Equity Plan under review with City's Office of Racial Equity
 - Focus on internal processes & resources: recruitment, hiring, promotions, training
- FY 21-22 Workplan:
 - Prioritize use of training budget to support Racial Equity Training programs and other staff professional development activities.
 - Total training budget = \$80k (100% increase over FY20-21 allocation)
 - Identify activities to foster an organizational culture of inclusion and belonging.
 - Begin work on second phase of the Racial Equity Plan, which will focus on OCII programs and other external facing efforts.

Debt

Debt: FY21-22 Sources & Uses

FY21-22 Debt Program reflects \$112.9M in costs, funded primarily by property tax.

Sources (M)*	New Bonds	Property Tax	Hotel Tax	Fund Balance	Prior Period Authority	Total by Use
Uses						
Debt Service - TAB Debt		\$102.4		\$1.2		\$103.6
Debt Service – Non-TAB Debt		\$1.8				\$1.8
Hotel Bond			\$4.5			\$4.5
Other Professional Services	\$3.0					\$3.0
Total by Source	\$3.0	\$104.2	\$4.5	\$1.2	\$-	\$112.9

*Majority of bond portfolio is tax allocation bonds (TAB).
Majority of expense is debt service.*

Debt: New Issuance

2021 Bond Issuance*	
Use	Affordable Housing Loans; Will fund over 330 housing units
Amount	\$130.4M affordable housing bond; \$116.4M project fund
Debt Service	\$10.5M estimated annually
Approvals	Oversight Board, DOF, Commission
Timeframe	Fall 2021

* Amounts and Timing estimated, subject to change

Operations

Operations: Sources & Uses

Property Tax and Other Funds are primary sources.

Operations	Amount (\$M)
Sources	
Property Tax	\$10.7
Other Funds	\$6.2
Bond Proceeds	\$0.4
Prior Year Funds	\$1.8
Total	\$19.1
Uses	
Salaries and Benefits	\$9.3
Non-Labor	\$5.3
Retiree Health and Pension	\$4.5
Total	\$19.1

Operations: Uses Detail

Current staff and retirement benefits drive operating costs

- **\$9.3M Existing Staff Salaries & Benefits**
 - 54 Full Time Equivalent (FTE) positions, no change
 - COLA, as per Commission-approved MOUS
- **\$5.3M in Non-Labor Costs**
- **\$4.5M Retiree Obligations**
 - \$2.3M for current pension
 - \$2.2M for current retiree health benefits

Operations: Non-Labor Expenditure

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

Department	Amount (\$M)
Work Orders with City Departments	\$2.7
Professional Services	\$0.8
Software and Information Technology	\$0.5
Other Current Expenses	\$0.5
Insurance	\$0.5
Legal Services	\$0.3
Total	\$5.3

Operations: Work Orders with City Departments Detail

Work Order with Mayor's Office of Housing(MOH) is largest.

Department	Service	Amount (\$M)
MOH	Affordable Housing Services	\$1.1
Office of City Administrator	Rent, Mail, OLSE	\$0.9
CON	Accounting and Audit Services	\$0.3
DT	IT Services	\$0.2
OEWD	Contract Compliance Support	\$0.1
CAT	Legal Services	\$50k
TTX	Investment Management	\$30k
Planning	Planning Review	\$1k
Total		\$2.7

Budget: FY21-22 Summary

Cost Center Sources (M)	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Debt Service/ Non-Projects	Total	Percent
Property Tax	\$0.0	\$32.8	\$1.9	\$113.6	\$148.3	26.2%
Bonds	\$75.7	\$0.0	\$40.8	\$3.3	\$119.8	21.2%
Developer Payments	\$0.6	\$50.0	\$12.0	\$0.3	\$62.8	11.2%
Other Funds	\$0.0	\$0.0	\$3.3	\$4.9	\$8.2	1.4%
Fund Balance	\$52.4	\$7.5	\$68.8	\$1.6	\$130.3	23.0%
Prior Period Authority	\$66.4	\$14.9	\$8.3	\$6.8	\$96.4	17.0%
Total Sources	\$195.1	\$105.2	\$135.0	\$130.5	\$565.8	100.0%

Note: Affordable housing and staffing costs are embedded into Project costs above.

Community Facilities Districts

Community Facilities Districts

- OCII administers seven Community Facilities District's ("CFD's) created under California's Mello-Roos Act
- CFD are special taxing districts approved by voters in the district
- CFDs are separate entities from OCII and their budget is not subject to Board of Supervisor's approval

CFD Budget Profile

CFD	Project Area	2021 est. Tax Levy (M)	FY21-22 Debt Service (M)	Principal Outstanding (M)	Final Bond Maturity	Purpose
CFD #1	Rincon Point	\$0.2	n/a	n/a	n/a	Maintenance & Infrastructure
CFD #4*	Mission Bay North	\$0.1	\$0.1	\$6.3	8/1/2031	Infrastructure
CFD #5	Mission Bay North & South	\$2.7	n/a	n/a	n/a	Maintenance
CFD #6	Mission Bay South	\$10.9	\$9.1	\$119.8	8/1/2043	Infrastructure
CFD #7	Hunters Point Shipyard Phase 1	\$2.5	\$2.0	\$32.3	8/1/2036	Infrastructure
CFD #8	Hunters Point Shipyard Phase 1	\$1.2	n/a	n/a	n/a	Maintenance
CFD #9	Hunters Point Shipyard Phase 2/Candlestick Point	\$0.4	n/a	n/a	n/a	Maintenance & Infrastructure

Budget: FY21-22

Questions?

*You are watching a Live meeting of the
Commission on Community
Investment and Infrastructure*

PUBLIC COMMENT CALL-IN:

Dial: 1(415) 655-0001 **Access Code:** 187 349 8587

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