

Community Facilities Districts (CFD) Budget Workshop

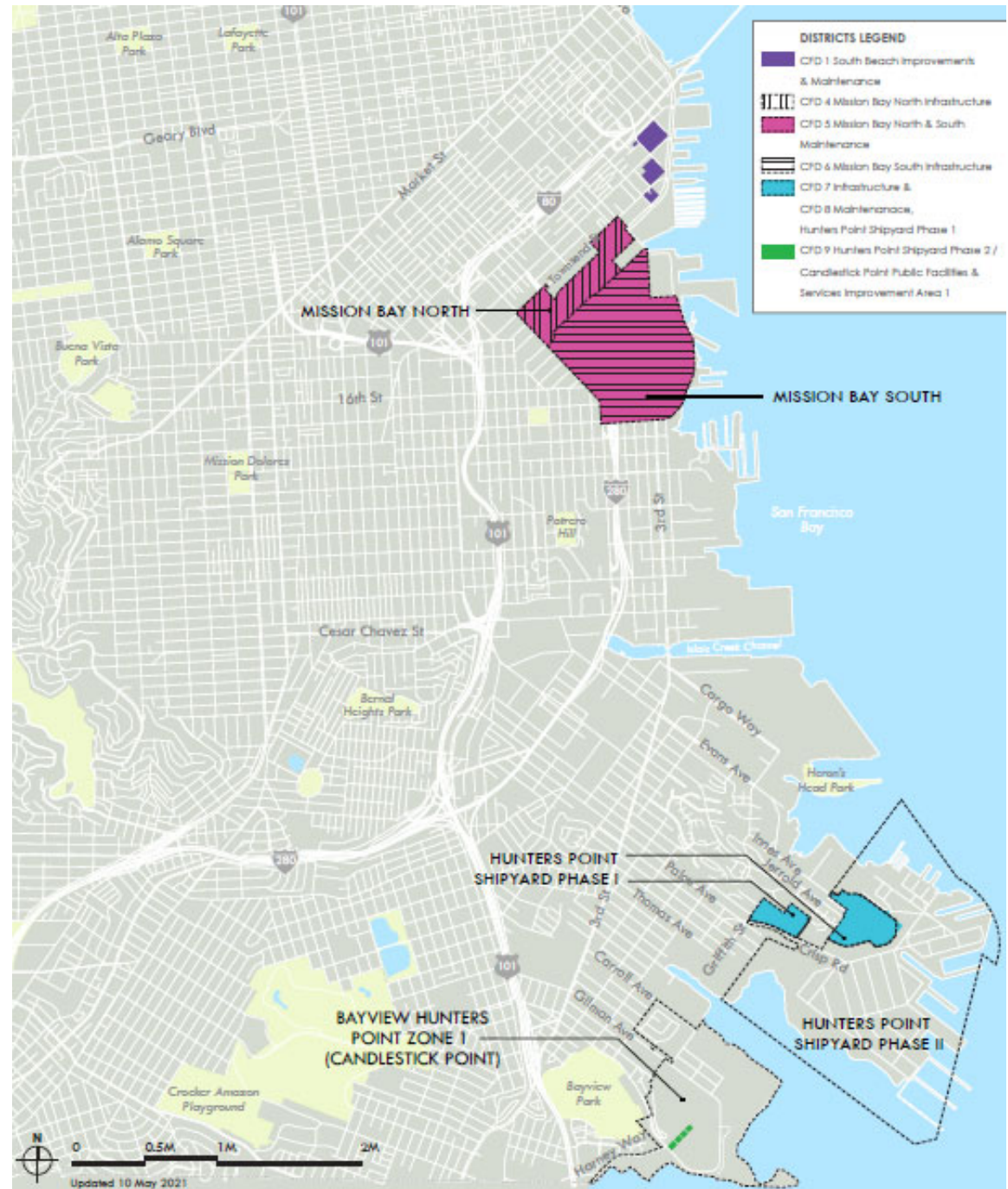
April 4, 2023



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.

OCII CFD
Geographic Boundaries



CFD Budget

Proposed FY 23-24 Budget for all CFDs is \$44.9M, with \$20.0M funded from 23-24 Special Tax Levy

Expenditure Type	Expenditure Detail	FY 23-24 Special Tax	Bond Account	Fund Balance	Total	% FY 23-24 Total
Debt Service	Debt service for previously issued debt	\$11,408,936			\$11,408,936	25.4%
Maintenance and Operations	Professional services to maintain park system	\$4,788,463			\$4,788,463	10.7%
Infrastructure	Direct payments for infrastructure or reimbursements to developer infrastructure	\$2,308,847		\$6,686,128	\$8,994,974	20.1%
Debt Refunding	Refunding for previously issued debt	\$0	\$18,133,716		\$18,133,716	40.4%
Administrative Expenses	Staffing and consulting costs to administer CFD	\$807,015			\$807,015	1.8%
Contingency	Reserve for unexpected maintenance and operations expenses	\$719,690			\$719,690	1.6%
Total		\$20,032,951	\$18,133,716	\$6,686,128	\$44,852,794	100.0%

South Beach / Rincon Point Project Area

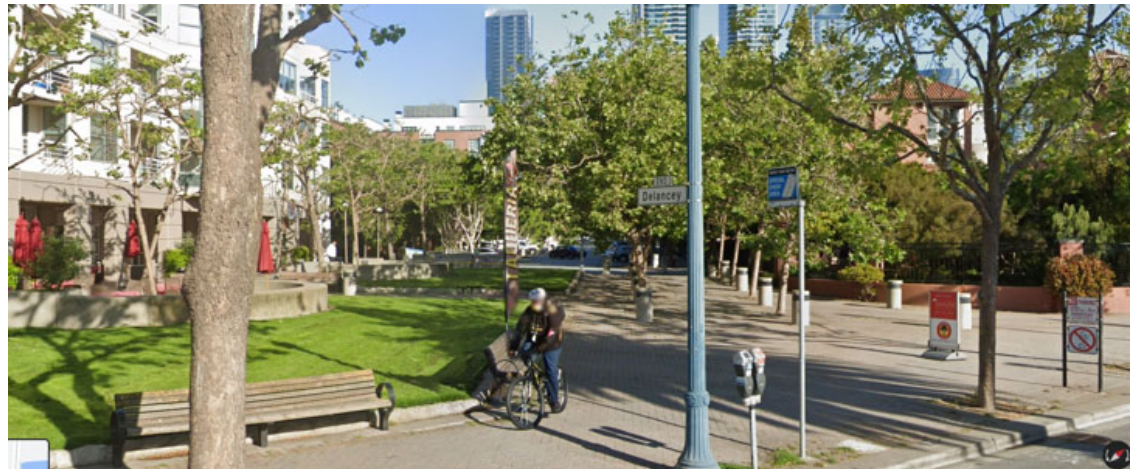
CFD 1 is a maintenance CFD for Rincon Point South Beach

CFD 1

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain plazas and streetscapes including landscaping and janitorial services	\$ 123,840	\$ 23,660	\$ 147,500
Capital Repair	Planned repairs on existing capital	\$ -	\$ 200,000	\$ 200,000
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 41,838		\$ 41,838
Infrastructure	Direct payments for infrastructure or reimbursements to develop infrastructure	\$ 38,934		\$ 38,934
Total		\$ 204,612	\$ 223,660	\$ 428,272

Work Plan

- 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 does not levy a special tax.
Property tax is the only available funding source

Mission Bay CFDs

CFD 6

Expenditure Type	Expenditure Detail	Special Tax	Bond Account	Total
Debt Service	Debt service for previously issued debt	\$ 9,478,686		\$ 9,478,686
Bond Refunding Cost of Issuance	Cost of Issuance for refunding of CFD 6 Special Tax Bond Series 2005		\$ 3,425,263	\$ 3,425,263
Bond Refunding Bond Balance	CFD 6 Special Tax Bond Series 2005 bond balance and accrued interest for refunding		\$ 14,708,453	\$ 14,708,453
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 184,822		\$ 184,822
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$ 1,953,744		\$ 1,953,744
Total		\$ 11,617,252	\$ 18,133,716	\$ 29,750,968

*Primary expenditure is for refunding of CFD 6 Special Tax
Bond Series 2005*

Work Plan

- Work with FOCIL-MB to identify the value total remaining reimbursement

CFD 5

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Maintenance and Operations	Professional services to maintain park system including landscaping, janitorial, and security	\$ 2,669,689	\$ 681,085	\$ 3,350,774
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 248,316	\$ -	\$ 248,316
Total		\$ 2,918,005	\$ 681,085	\$ 3,599,090

Primary expenditure is maintenance of parks and open space

Work Plan

- Maintain 30.2 acres of passive and active park space, including 6.0 new acres in FY 23-24
- Transition parks to City

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



Hunters Point Shipyard / Candlestick Point CFDs

CFD 7

Expenditure Type	Expenditure Detail	Special Tax	Fund Balance	Total
Debt Service	Debt service for previously issued debt	\$ 1,930,250		\$ 1,930,250
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 167,968		\$ 167,968
Infrastructure Reimbursement	Direct reimbursement to developer for costs of infrastructure construction	\$ 1,259,847	\$ 5,781,383	\$ 7,041,230
Total		\$ 3,358,065	\$ 5,781,383	\$ 9,139,448

Primary expenditure is infrastructure reimbursement

Workplan

- Process first infrastructure reimbursement to repay developer for costs accumulated over 5+ years

CFD 8

Expenditure Type	Expenditure Detail	Special Tax
Maintenance and Operations	Professional services to maintain and operate Park System	\$ 815,189
Capital Expenses	Planned capital expenses for Park System	\$ 275,000
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 134,078
Contingency Reserve	Reserve for maintenance, operations and capital expenditures	\$ 286,695
Total		\$ 1,510,963

Primary expenditure is maintenance of parks and open space

Workplan

- Maintain 5 acres of active park space, 13 acres of open space, and the Site Office Building

CFD 9

Expenditure Type	Expenditure Detail	Special Tax
Administrative Expenses	Staffing and consulting costs to administer CFD	\$ 29,994
Contingency Reserve	Reserve for maintenance, operations and capital expenditures	\$ 394,060
Total		\$ 424,054

Infrastructure and open space in CFD 9 are in the planning stage

FY 23-24 CFD Budget

Majority of expenditure is debt service, debt refunding, and infrastructure reimbursement

Expenditure Type	CFD 1	CFD 5	CFD 6	CFD 7	CFD 8	CFD 9	Total	% Total
Debt Service			\$9,478,686	\$1,930,250			\$11,408,936	25.4%
Debt Refunding			\$18,133,716				\$18,133,716	40.4%
Maintenance and Operations	\$347,500	\$3,350,774			\$1,090,189		\$4,788,463	10.7%
Infrastructure			\$1,953,744	\$7,041,230			\$8,994,974	20.1%
Administrative Expenses	\$41,838	\$248,316	\$184,822	\$167,968	\$134,078	\$29,994	\$807,015	1.8%
Contingency	\$38,934				\$286,695	\$394,060	\$719,690	1.6%
Total	\$428,272	\$3,599,090	\$29,750,968	\$9,139,448	\$1,510,963	\$424,054	\$44,852,794	100.0%

Next Steps

- Staff recommend approval of the proposed FY 23-24 CFD Budget
- Staff will work special tax consultant to determine final levy in August 2023

CFD Budget Workshop

Questions / Comments