107-1072022-002

Agenda Item **No. 5(A)**
Meeting of January 25, 2023

MEMORANDUM

TO: Oversight Board

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Approving the Recognized Obligation Payment Schedule for July 1, 2023 to June 30, 2024 ("ROPS 23-24")

EXECUTIVE SUMMARY

The proposed Oversight Board Resolution No. 2-2023 requests approval of the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") 23-24 for July 1, 2023 to June 30, 2024. Staff presented a draft ROPS 23-24 to the Oversight Board on January 9, 2023 and shared an informational memoranda on the ROPS 23-24 with the Commission on January 11, 2023. No changes were requested or made to the draft ROPS. The total proposed ROPS is $749,688,972, funded by $383,011,391 in Bond Proceeds, $24,065,769 in Reserve, $196,071,891 in Other Funds, and $143,074,698 in Redevelopment Property Tax Trust Fund ("RPTTF") Non-Admin, and $3,465,223 in RPTTF Admin. OCII will expend the majority of these funds on affordable housing loans, the Transbay project area, and debt service.

Staff recommends approval of the proposed resolution.

DISCUSSION

Redevelopment Dissolution Law required Successor Agencies to create a Recognized Obligation Payment Schedule ("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 Oversight Board Resolution No. 2-2023 requests approval of the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") 23-24 for July 1, 2023 to June 30, 2024. On January 9, 2023, the Office of Community Investment and Infrastructure ("OCII"), operating as Successor Agency to the San Francisco Redevelopment Agency, presented to the Oversight Board a workshop on the ROPS 23-24. On January 11, 2023, OCII shared an informational memoranda on the ROPS 23-24 with the Commission. No amendments were recommended to the ROPS. The ROPS 23-24 requests expenditure authority from July 1, 2023, through June 30, 2024. The total requested ROPS 23-24 is $749,688,972.

For further detail on ROPS 23-24, see the exhibits to Resolution 2-2023. Exhibit A-1 "ROPS 23-24 – Detail Worksheet" shows the projected revenue sources and payment amounts for July 1, 2023 to June 30, 2024. Exhibit A-2 "ROPS 23-24– Notes Worksheet" justifies the payment amounts and provides greater detail where required. Exhibit A-5 is the memo provided to the Oversight Board for the January 9, 2023 meeting and summarizes the ROPS 23-24 – Detail Worksheet and OCII's 23-24 work program.

WORKSHEETS

The ROPS 23-24 contains four worksheets, which are included as exhibits to Resolution 2-2023 and described below. The OSB Workshop Memo is also included as an exhibit to the resolution.

ROPS 23-24 Detail Worksheet

Exhibit A-1, ROPS Detail Worksheet, to Resolution 2-2023 shows the total ROPS 23-24, including proposed changes. The total proposed ROPS is $749,688,972, funded by $383,011,391 in Bond Proceeds, $24,065,769 in Reserve, $196,071,891 in Other Funds, and $143,074,698 in RPTTF Non-Admin, and $3,465,223 in RPTTF Admin.

ROPS 23-24 Notes Worksheet

Exhibit A-2, ROPS 23-24 Notes Worksheet, to Resolution 2-2023 provides notes to the ROPS 23-24 Detail worksheet. This is an optional form that provides additional information or explains unique circumstances.

ROPS 23-24 Cash Balances Report

Exhibit A-3, Cash Balances Report, to Resolution 2-2023 shows the change in the cash balances for Bond Proceeds, Reserve Balances, Other Funds, and RPTTF Non-Admin and RPTTF Admin from July 1, 2020, to June 30, 2021. The balances are detailed below.

- $0 in Bond Proceeds for Bonds Issued on or before 12/31/10
- $0 in Bond Proceeds for Bonds Issued on or after 01/01/11
- $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 expenditure on enforceable obligations and OCII has no unallocated cash.

ROPS 23-24 Summary

Exhibit A-4, ROPS 23-24 Summary, to Resolution 2-2023 brings together data from the other ROPS worksheets. The Summary shows current period enforceable obligations of $749,688,972.

NEXT STEPS

Pending Oversight Board approval, staff will submit the ROPS prior to February 1, 2023. 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, 2023 property tax distribution. Staff will provide updates to the Oversight Board as necessary.

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

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Thor Kaslofsky
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Thor Kaslofsky
Executive Director