107-0742023-002

Agenda Item **No. 5(A)**
Meeting of January 24, 2024

MEMORANDUM

TO: Oversight Board

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Approving the Recognized Obligation Payment Schedule for July 1, 2024 to June 30, 2025 ("ROPS 24-25")

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. 01-2024 requests approval of OCII's Recognized Obligation Payment Schedule for July 1, 2024 to June 30, 2025 ("ROPS 24-25"). Staff presented a draft ROPS 24-25 to the OB on January 8, 2024 and to the Commission on January 16, 2024. No changes were requested or made to the draft ROPS. The total proposed ROPS is $693,424,359, funded by $263,347,910 in Bond Proceeds, $39,680,696 in Reserve, $229,915,230 in Other Funds, and $156,368,546 in Redevelopment Property Tax Trust Fund ("RPTTF") Non-Admin, $275,000 in RPTTF Residual, and $3,836,977 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. 01-2024 requests approval of ROPS 24-25. On January 8, 2024, OCII presented a workshop to the OB on the ROPS 24-25. On January 16, 2024, OCII presented a workshop to the Commission on the ROPS 24-25 and no amendments were recommended. The ROPS 24-25 requests a total expenditure authority of $693,424,359 for the period July 1, 2024, through June 30, 2025.

WORKSHEETS

For further detail on the ROPS 24-25 there are four worksheets included as attachments to Resolution 01-2024 and described below.

1. Attachment A-1, ROPS 24-25– Detail Worksheet" shows the projected revenue sources and payment amounts for July 1, 2024 to June 30, 2025.
2. Attachment A-2, "ROPS 24-25– 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, 2021 through June 30, 2022.
4. Attachment A-4 "ROPS 24-25 Summary" shows the summary of the ROPS 24-25 Detail Worksheet.

Attachment A-5 is the memorandum provided to the OB for the January 8, 2024 meeting and summarizes the ROPS 24-25 and OCII's 24-25 work program.

ROPS 24-25 Detail Worksheet

Attachment A-1, ROPS Detail Worksheet, to Resolution 01-2024 shows the total ROPS 24-25, including proposed changes. The total proposed ROPS 24-25 is $693,424,359, funded by $263,347,910 in Bond Proceeds, $39,680,696 in Reserve, $229,915,230 in Other Funds, and $156,368,546 in RPTTF Non-Admin, $275,000 in RPTTF Residual, and $3,836,977 in RPTTF Admin.

ROPS 24-25 Notes Worksheet

Attachment A-2, ROPS 24-25 Notes Worksheet, to Resolution 01-2024 provides notes to the ROPS 24-25 Detail worksheet. This is an optional form that provides additional information or explains unique circumstances.

ROPS 24-25 Cash Balances Report

Attachment A-3, Cash Balances Report, to Resolution 01-2024 shows the change in the cash balances for Bond Proceeds, Reserve Balances, Other Funds, and RPTTF Non-Admin and RPTTF Admin from July 1, 2021, to June 30, 2022. 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 expenditure on enforceable obligations and OCII has no unallocated cash.

ROPS 24-25 Summary

Attachment A-4, ROPS 24-25 Summary, to Resolution 01-2024 brings together data from the other ROPS worksheets. The Summary shows the current 24-25 period (July 1, 2024 to June 30, 2025) enforceable obligations of $693,424,359.

NEXT STEPS

Pending OB approval, staff will submit the ROPS 24-25 prior to February 1, 2024. 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, 2024 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