

# Office of Community Investment and Infrastructure

## FY 2023-24 Budget



# OCII Mission and Strategic Goals

## **Within Mission Bay, Transbay & Shipyard/Candlestick**

- Invest in these communities by accelerating delivery of and access to new housing, especially affordable units
- Create new public infrastructure and open spaces
- Maximize opportunities for local business and workers
- Implement wind down of activities under State Redevelopment Dissolution Law

## **Mission Bay, Transbay, & Shipyard /Candlestick to provide:**

- 22,000 new housing units, approximately 30% affordable
- 405.7 acres parks and open space
- 13.8 million sq. ft. commercial/retail space

# OCII FY 23-24 Major Initiatives – Projects



Transbay Block 3 Park & Streetscape Improvement Project



Mission Bay Block 9A

## Parks, Infrastructure, Commercial

- Complete Mission Bay Park P22 and 1450 Owens
- Design Transbay Block 3 Park & Streetscape Improvement Project and Under Ramp Park
- Complete street acceptance on Hilltop and complete Block 48 horizontal infrastructure

## Housing

- Fund TB 2E and TB 2W
- Begin pre-development on MBS 12W and MBS 4E
- Begin construction on HPS 52/54 and HPS 56
- Continue construction on MBS 9A

# OCII Budget: FY23-24 Uses

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

Uses	FY 23-24 Proposed Budget (\$M)	Percent
<b><u>Direct Program Spending</u></b>		
Affordable Housing	\$331.6	46.5%
Infrastructure, Parks & Other Non-Housing	\$178.5	25.0%
Project Management & Operations	\$20.0	2.8%
Community Development & Workforce	\$2.1	0.3%
<b>Direct Programmatic Subtotal</b>	<b>\$532.2</b>	<b>74.7%</b>
<b><u>Indirect Program Spending</u></b>		
Debt	\$146.1	20.5%
Pass-through to TJPA	\$33.7	4.7%
Other	\$0.4	0.1%
Asset Management	\$0.2	0.0%
<b>Indirect Programmatic Subtotal</b>	<b>\$180.4</b>	<b>25.3%</b>
<b>Total</b>	<b>\$712.5</b>	

# OCII Bond Overview

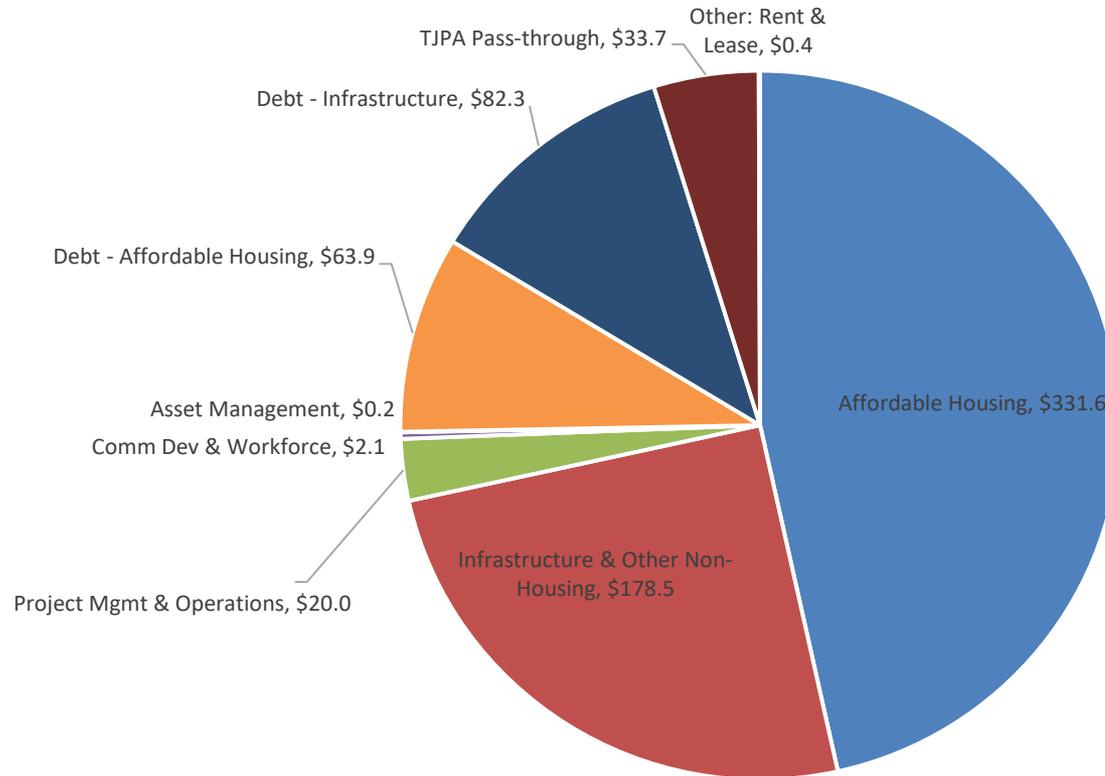
- **Transbay Bond Issuance Scope: \$75M**
  - **2023 Series A Purpose**
    - ❑ 537 units of affordable housing

Location	Project Name	Units
Transbay	Transbay 2 East	184
Transbay	Transbay 2 West	151
Transbay	Transbay 4 Pre-Development	202
<b>Total</b>		<b>537</b>

- **2023 Series B Purpose**
  - ❑ Transbay Block 3 Park Project

# OCII Budget: FY23-24 Uses

*Of OCII's total FY23-24 budget of \$712.5M, the primary uses are Affordable Housing and Infrastructure & Other Non-Housing.*

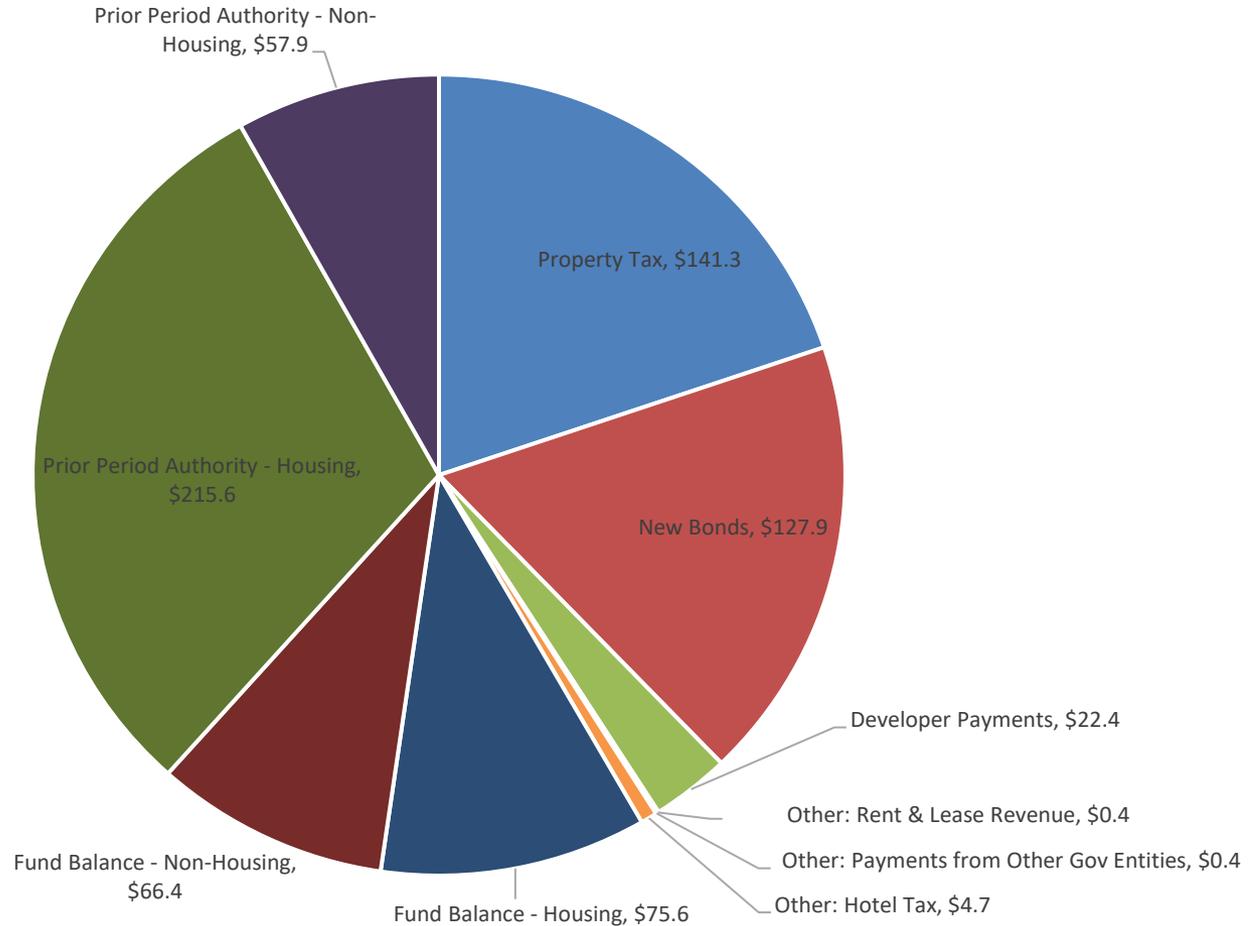


OCII's mission and objectives are to build affordable housing, parks and open spaces, and commercial spaces. Additionally, we maximize local business and employment opportunities. Our budget allocations help achieve these goals as the majority of our funds are dedicated to affordable housing (46%) and infrastructure work (25%), along with community development and workforce expenditures.

Poverty alleviation is one of the main objectives of the agency by accelerating delivery and access to new and affordable housing, along with creating local employment opportunities.

# OCII Budget: FY23-24 Sources

*Of OCII's total FY23-24 budget of \$712.5M, the primary sources are PPA-Housing and New Bonds.*



# OCII Performance Measures: Housing Production Obligation

## OCII-Funded Retained Affordable Housing Production Obligation, by Project Area

Project Status	Mission Bay	Transbay	HP Shipyard / Candlestick Point	Total	% of Total
Completed & Occupied	1,596	721	435	<b>2,752</b>	38.7%
In Construction	148	0	191	<b>339</b>	4.8%
In Predevelopment	0	639	477	<b>1,116</b>	15.7%
In Planning	164	0	386	<b>550</b>	7.7%
Future Development*	0	79	2,280	<b>2,359</b>	33.2%
<b>Total</b>	<b>1,908</b>	<b>1,439</b>	<b>3,769</b>	<b>7,116</b>	<b>100.0%</b>

*\*Future Development may include additional units if SB 593 (Replacement Housing) is enacted.*

In FY 2023-24, OCII will complete 148 OCII-funded affordable housing units, 68 Market Rate Units, and 9 Inclusionary Affordable Units. These completions are comprised of 148 units in Mission Bay South and 77 units in Hunters Point Shipyard Phase 1.

# OCII Performance Measures: Parks & Open Space Completions

## OCII's Park & Open Space Completions

Parks and Open Space Completions by Acreage	Mission Bay	Transbay	Hunters Point Shipyard / Candlestick Point	Total Acres
FY 22-23 Completions	1.68	-	0.03	1.71
FY 23-24 Completions	5.40	-	-	5.40

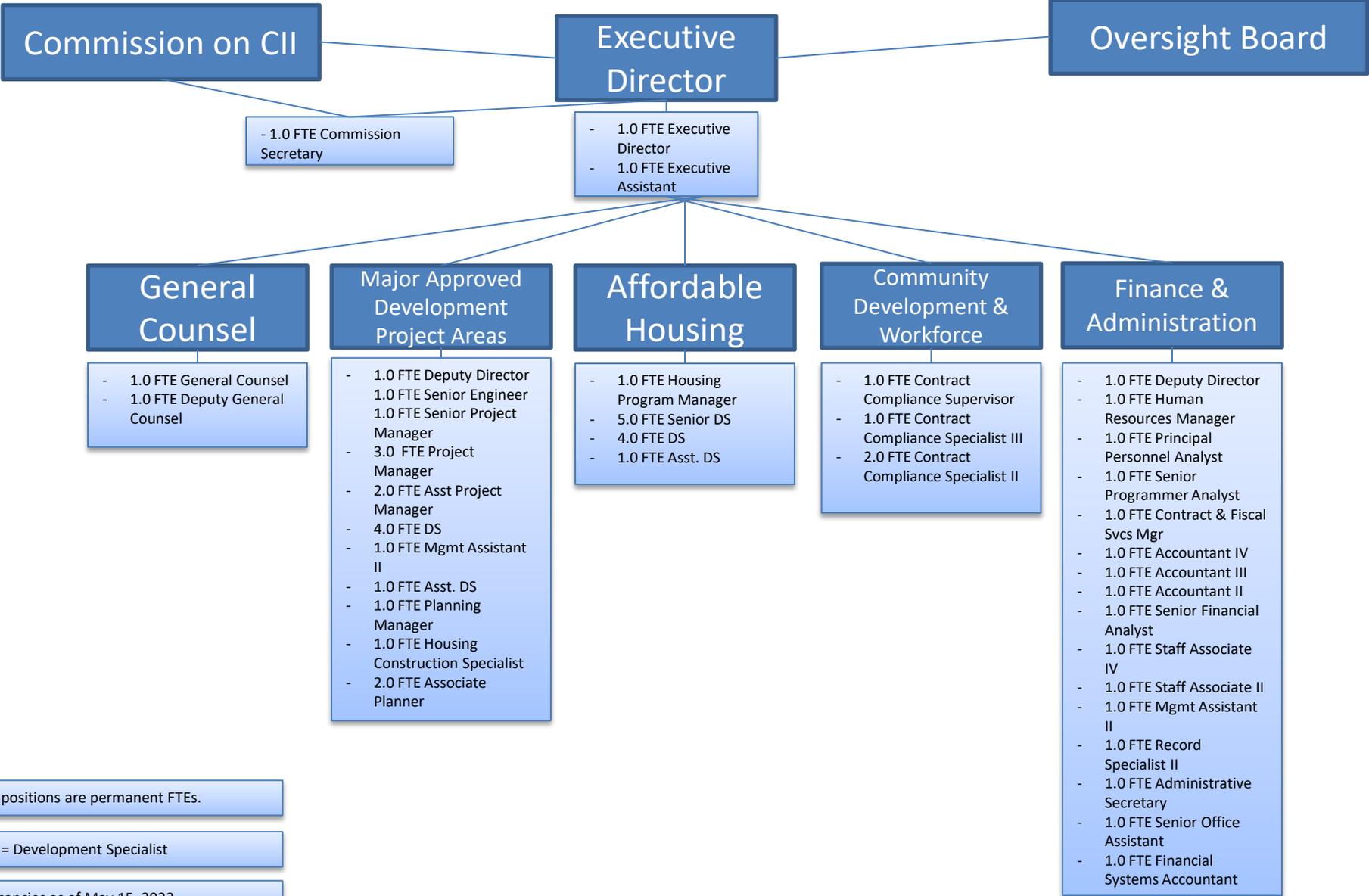
In FY 2023-24, OCII will complete 5.4 acres of parks and open space in Mission Bay.

# OCII Performance Measures: Community Workforce Development

OCII's Equal Opportunity Programs ("EOP") program applies to all OCII-administered contracts, including Development and Disposition Agreements, ground leases, and loan agreements, among others. OCII administers the EOP program on all stages of a project, from design through construction. OCII reports on the EOP to its Commission annually.

- Contracting
  - Since 2012, OCII has administered over \$5.7 billion in contracts, of which \$1.8 billion has been awarded to small business enterprises ("SBE"). Of this amount, \$973 million has been awarded to San Francisco-based SBEs.
  - Additionally, \$942 million of the total has been awarded to minority and women-owned businesses.
- Workforce Development
  - Since 2012, over 49,890 workers have performed over 18.3 million construction hours on OCII-administered projects.
  - 7,401 SF residents performed 3.5 million hours, garnering \$154.7 million in wages.

# Organizational Chart



All positions are permanent FTEs.

DS = Development Specialist

Vacancies as of May 15, 2023

# Staffing

Vacancy Type	Project Area	Position	Plan to fill in next 2 fiscal years?
<b>ACTIVE RECRUITMENT</b>			
	Executive	Deputy Director, Programs & Projects	Yes
	HPS/CP	HPS Development Specialist	Yes
	Finance and Admin	Accounting Supervisor	Yes
	Affordable Housing	AFH Development Specialist	Yes
	Finance and Admin	Senior Office Assistant	Yes
<b>PLANNED RECRUITMENT</b>			
	Community Development & Workforce	Contract Compl. Sp. III	Yes
	Community Development & Workforce	Contract Compl. Sp. II	Yes
	Major Approved Development Project Areas	Associate Planner	Yes
<b>VACANT DUE TO DEVELOPMENT PHASE OF PROJECTS</b>			
	HPS/CP	HPS Asst. Project Manager	Yes
	HPS/CP	HPS Development Specialist	Yes
	Major Approved Development Project Area	Senior Planner	Yes
	Affordable Housing	AFH Development Specialist	Yes
<b>HELD FOR FUTURE NEEDS</b>			
	Finance and Admin	Financial Systems Accountant	No
	Finance and Admin	Staff Associate II- Media Relations	No
	Major Approved Development Project Areas	Senior Civil Engineer	No
	Affordable Housing	Manager	No
	Affordable Housing	Senior Development Specialist	No
	Affordable Housing	Development Specialist	No
	HPS/CP	Project Manager	No
	HPS/CP	Asst Project Manager	No

# Staffing

OCII has 20 vacancies, as of May 15, 2023, an increase from 6 in FY 19-20.

Staffing	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Vacancies	6	9	16	20	15

The vacancy amounts are due to

- (1) Development status of projects,
- (2) Attritions and promotions, and
- (3) Challenges posed by COVID-19 to recruitment of new staff, as well as general competition for talent.

# OCII Response to Mayor's 23-24 Budget Instructions & Budgetary Challenges

- **Mayor's Budget Instructions**
  - OCII's budget is not funded by General Fund, but as a good City partner, OCII has reduced its request Redevelopment Property Tax Trust Fund (RPTTF), which includes property tax revenues.
  - The state (Dept. of Finance) approves OCII's expenditures of RPTTF for fixed and mandatory costs such as debt service, affordable housing loans, and retiree health and pension payments.
  - In December 2022, OCII reduced property tax uses for staffing by \$1.3M.
  - In April 2023, OCII further reduced property tax uses by \$0.3M, for a total FY 23-24 reduction of \$1.6M.
  - OCII will continue to review its expenditures for any further savings.
- **Budgetary and Operational Challenges to meeting department objectives**
  - Development status of projects
  - General competition for talent.

# Office of Community Investment and Infrastructure



# BOS questions

For departmental presentations during the June 14-June 16 hearings, please keep your presentation to 5 minutes, and include the following:

1. What is the department's total budget, including funding sources? Please list them for programs and services. Please provide pie charts that outline budget spending and these funding sources.
2. How does the department's budget allocations help achieve its mission and objectives?
3. What are the performance measures that the department uses to determine whether it is achieving its objectives? Please include any results from Controller's audits and recommendations.
4. What are the budgetary and operational challenges to meeting the department's objectives?
5. How have you answered the Mayor's call for budget reductions of 5% and 8% in December, and the additional 5% in April over the next two fiscal years?
6. How are the department's budget allocations designed to address language access and poverty alleviation?
7. Please include an organizational chart of your department. This chart or supporting documentation should include:
  - a. Position name, classification, and whether it is a permanent, temporary or exempt position
  - b. Whether the position is filled, vacant, or in the hiring process and anticipated hire date
  - c. A historic look at the changes to your department's staffing over the past 4 years