

1 [Establishing Area Plan Infrastructure Finance Committee]

2

3 **Resolution establishing an Area Plan Infrastructure Finance Committee to supervise a**  
4 **consultant study to develop policy criteria and recommendations on the use of**  
5 **Infrastructure Finance Districts (IFDs) in newly adopted Area Plans, including within**  
6 **the Eastern Neighborhoods Area Plans, determine the appropriate steps to form IFDs,**  
7 **and to supervise the formation of a pilot Infrastructure Finance District (IFD) in Rincon**  
8 **Hill.**

9

10 WHEREAS, The Board of Supervisors adopted the Eastern Neighborhoods Area Plans  
11 (ENAP, Ordinance No. 297-08) which rezoned portions of the largely industrial neighborhoods  
12 of the Mission, Eastern South of Market Area, Central Waterfront, and Showplace Square/  
13 Potrero Hill to promote a balanced mix of residential and sustainable commercial development  
14 along with a package of public benefits and infrastructure improvements; and

15 WHEREAS, An ENAP Needs Assessment was prepared which identified specific  
16 demands for public infrastructure to accommodate projected new growth and the ENAP  
17 impact fees were only projected to meet up to 50% of the projected cost of such new  
18 infrastructure, the Board of Supervisors directed the Capital Planning Committee (CPC) to  
19 establish a nine-member subcommittee called the Eastern Neighborhoods Infrastructure  
20 Finance Working Group (ENIFWG) to recommend funding strategies for the ENAP  
21 (Resolution No. 510-08); and,

22 WHEREAS, The ENIFWG produced and unanimously approved on July 1, 2009, a  
23 report entitled *Strategies for Funding the Public Improvements in the Eastern Neighborhoods*  
24 *Area Plans* (the Strategies Report) that evaluated potential funding alternatives to meet  
25 infrastructure needs in the ENAP, and which could be similarly applicable to other recently

1 adopted Area Plans, and made four recommendations to the Board of Supervisors on how the  
2 City could move forward; and

3 WHEREAS, The CPC reviewed and unanimously accepted the Strategies Report and  
4 its four recommendations to the Board of Supervisors on July 6, 2009, which  
5 recommendations included: (1) commissioning a consultant study to inform the formation of  
6 an IFD and CFD in the ENAP, including determining the potential boundaries of the IFD and  
7 CFD, appropriate tax rates, appropriate portion of tax increment, and the total estimated  
8 bonding capacity under a variety of growth scenarios; (2) developing a clear statement of  
9 policy criteria to guide the use of an IFD in the ENAP and (3) developing criteria for a potential  
10 future modified IFD tool; and

11 WHEREAS, The Board of Supervisors adopted the Market and Octavia Area Plan,  
12 which rezoned existing use districts to increase residential density near transit and to  
13 encourage the development of diverse housing affordable to a range of incomes and  
14 commercial and mixed-uses along with a package of public benefits and infrastructure  
15 improvements, but noted that to fully fund these improvements other “future revenue streams  
16 must be established” in addition to impact fees; and

17 WHEREAS, The Community Improvements Program Document, adopted as part of the  
18 Market and Octavia Area Plan, specifically referenced tax increment financing as a possible  
19 funding source to address the anticipated funding gap for public infrastructure improvements,  
20 which the Planning Department estimates could represent up to 50% of the total cost of  
21 needed improvements in the area; and

22 WHEREAS, The Market and Octavia Citizen Advisory Committee, by resolution on  
23 October 20, 2009, endorsed pursuing a tax increment financing policy in the Plan Area; and

24  
25

1           WHEREAS, The Board of Supervisors has also adopted comprehensive Area Plans in  
2 Rincon Hill, Balboa Park and Visitacion Valley which have also rezoned existing use districts  
3 to reduce land use conflicts and to encourage diverse housing affordable to a range of  
4 incomes and commercial and mixed-uses along with a package of public benefits and  
5 infrastructure improvements; and

6           WHEREAS, The City anticipates significant new housing units and other commercial  
7 development within these Plan Areas, and this future development will impact each Plan  
8 Area's neighborhood infrastructure by generating greater need for new investment in  
9 recreation and open space facilities, transit and transportation improvements, streetscape  
10 improvements and community facilities and other improvements identified in the public  
11 benefits package for each Area Plan; and

12           WHEREAS, To ensure that new neighborhood infrastructure is provided concurrently  
13 with the demands generated by new growth in both the ENAP and in each of the above listed  
14 Area Plans, the lessons learned from the Strategies Report should be applied Citywide on a  
15 broader policy basis; and,

16           WHEREAS, Detailed recommendations on the development of an Infrastructure  
17 finance district, including boundaries, revenue projections, and related infrastructure  
18 improvements would prepare the City to pursue the establishment of an IFD which would  
19 support growth in the Eastern Neighborhoods and move towards completing the Eastern  
20 Neighborhoods priority projects identified by the Board of Supervisors; and

21           WHEREAS, A project sponsor on Rincon Hill, Harrison Fremont LLC, has recently  
22 expressed interest in funding the formation of a pilot IFD in the Rincon Hill Area Plan to help  
23 finance the acquisition and construction of a new public park located at 333 Harrison Street  
24  
25

1 but the City has not yet adopted clear policy parameters to guide the formation and  
2 application of IFDs in new Area Plans; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby directs the CPC to establish and  
4 appoint a Chair for a new subcommittee called the Area Plan Infrastructure Finance  
5 Committee (the "APIF Committee") to (1) manage and oversee a consultant study to inform  
6 the formation of an IFD and CFD in the ENAP as recommended by ENIWG, which will include  
7 an analysis of any potential fiscal impacts on the General Fund; (2) develop a clear statement  
8 of policy criteria to guide the use of IFDs in recently adopted Area Plans as recommended by  
9 ENIFWG; (3) supervise the formation of the proposed Rincon Hill Pilot IFD based on the  
10 proposed IFD policy criteria: and (4) provide such proposals or recommendations within six  
11 (6) months of study initiation; and, be it

12 FURTHER RESOLVED, That the APIF Committee include representatives of relevant  
13 City agencies and no more than four (4) members of the public; and, be it

14 FURTHER RESOLVED, That the representatives of City agencies shall at a minimum  
15 include one representative from each of the following City departments or committee,  
16 appointed by the head of each such department or committee: the Planning Department, the  
17 Office of Economic and Workforce Development, the Mayor's Office of Public Policy and  
18 Finance, the Controller's Office and the Capital Planning Committee and other implementing  
19 agencies as deemed appropriate by the CPC; and, be it

20 FURTHER RESOLVED, That two of the four (4) members of the public on the APIF  
21 Committee shall be "at-large" representatives, one representative from the ENAP CAC and  
22 one representative from the Market & Octavia CAC, and be appointed by the President of the  
23 Board of Supervisors; and, be it

24

25

1           FURTHER RESOLVED, That upon any resignation or vacancy of any position on the  
2 APIF Committee, replacements shall be designated in the same manner as the original  
3 appointments; and, be it

4           FURTHER RESOLVED, That the Chair of the APIF Committee shall convene the  
5 public and private members of the APIF Committee separately or together as frequently as  
6 necessary to complete the scope of work identified in this Resolution; and, be it

7           FURTHER RESOLVED, That the final consultant study, policy criteria and Rincon Hill  
8 Pilot IFD be presented to the CPC for their review and approval prior to formation of any IFD  
9 or submission to the Mayor or Board of Supervisors.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25