



# San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown)

Budget & Finance Committee



# Stonestown EIFD PFA – Timeline

- July 16, 2024 – Resolution of Intention to Establish EIFD No. 2 (Stonestown) (“Stonestown EIFD”) approved by the Board of Supervisors
- July 23, 2024 – Development Agreement for the Stonestown Project approved by the Board of Supervisors
- July 2025 through January 2026 – Three EIFD Public Financing Authority No. 1 (PFA) meetings held, including first public hearing on the Infrastructure Financing Plan (IFP)
- January 14, 2026 – Budget & Finance Committee:
  - Public hearing on IFP
  - Consideration of Resolution approving the IFP and Related Documents and Actions

# Goal of the Stonestown EIFD

- The City's goal in proposing establishment of the EIFD was to help address a shortfall in financing for the provision of Facilities of communitywide significance that provide significant benefits and promote economic development and the construction of housing (including affordable housing) within the boundaries of the EIFD or the surrounding community.





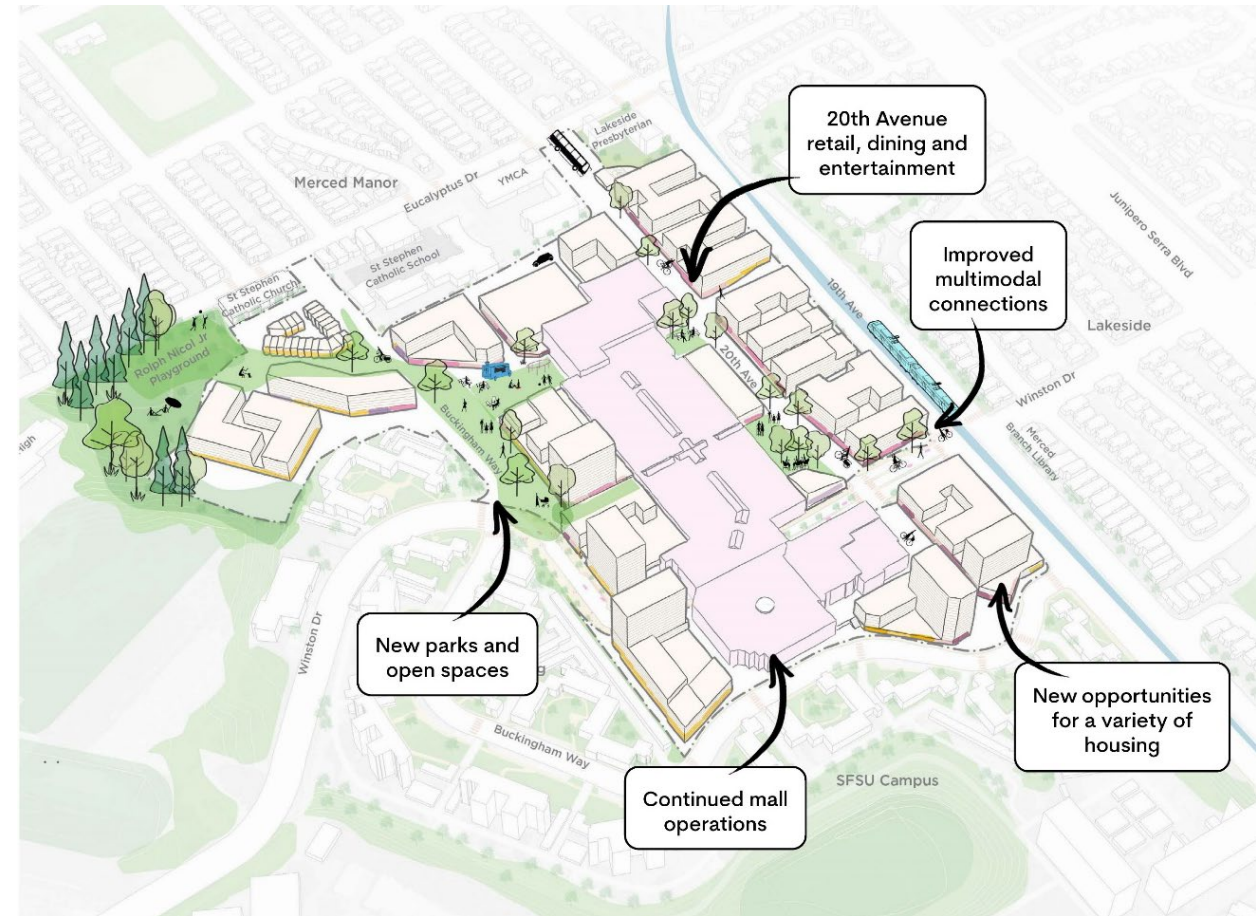
# A TRANSFORMATIVE OPPORTUNITY





# Stonestown Project – Key Public Benefits

- **Streets and transportation:** fully redesigned street network, new pedestrian-focused design and retail main street, 2-way protected bikeways, new utilities and infrastructure, ~\$50m in transportation fees.
- **Open Space:** 6 acres of new publicly accessible open spaces including new site for the Farmer's Market. Improvements to adjacent Rolph Nicol Jr. Playground.
- New **childcare** facility serving 100 children with adjacent open space.
- New **senior center** to replace existing YMCA senior center annex, and rented to nonprofit operator for \$1/year.
- **Affordable Housing:** 20% of all units through onsite inclusionary units, parcel dedication, and in lieu fees.
- **Workforce Agreement:** including First Source Hiring, Local Hire, and LBE and micro-LBE goals.

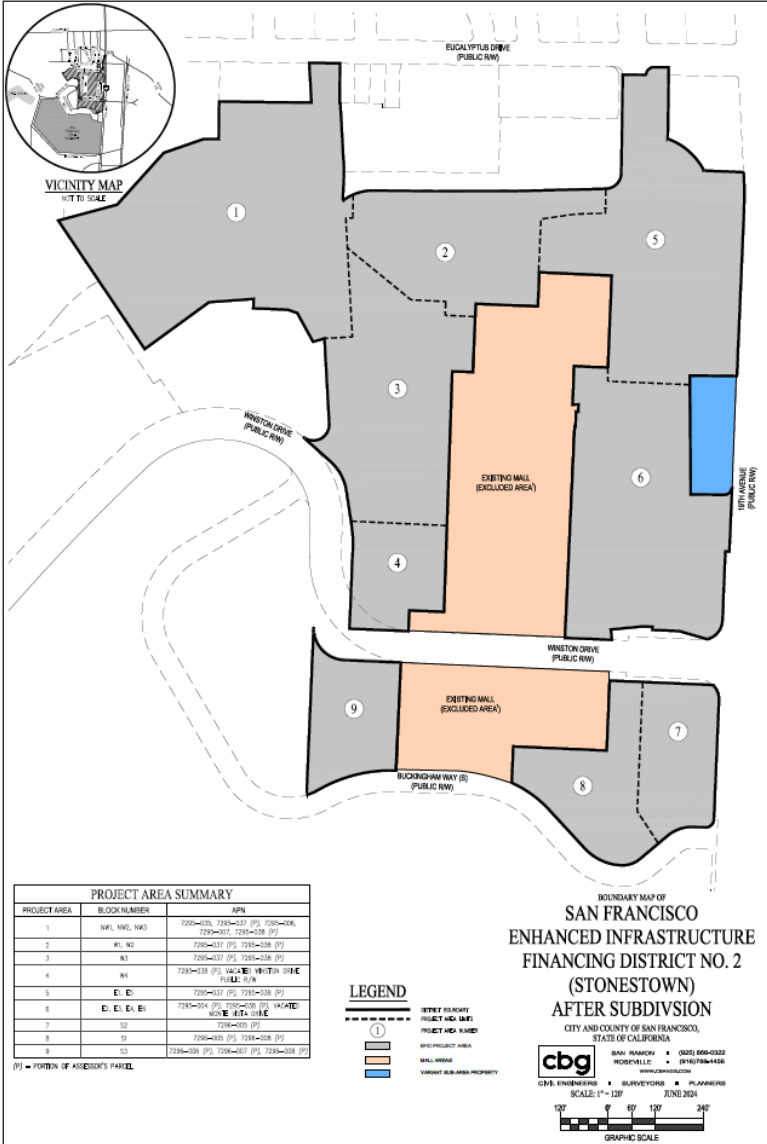
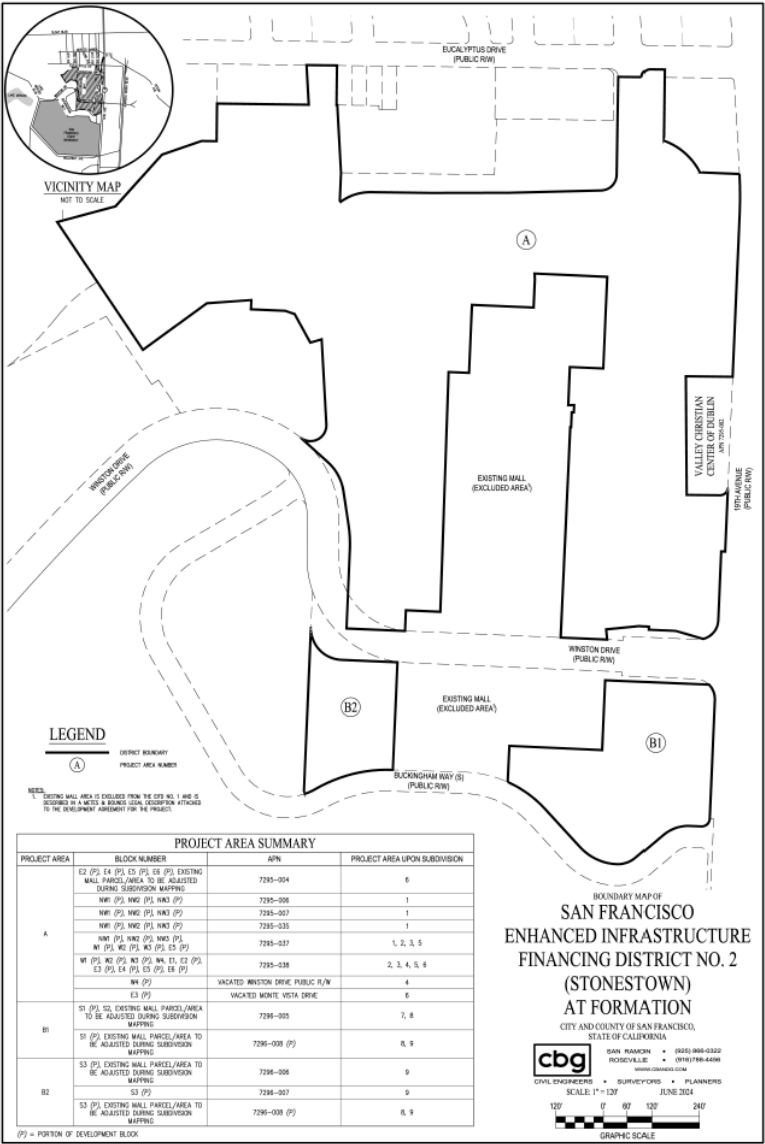


# Infrastructure Financing Plan (IFP) Overview

## Key Elements of the IFP include:

1. Map and legal description of the Stonestown EIFD (including multiple project areas)
2. Proposed public facilities and other forms of development and financial assistance proposed in the area of the Stonestown EIFD
3. Communitywide significance finding
4. Financing Plan
  - a. Description of tax increment allocated to the Stonestown EIFD
  - b. Projection of tax increment
  - c. Financing plan for facilities to be assisted by the Stonestown EIFD
  - d. Aggregate limit on tax increment allocated to the Stonestown EIFD
  - e. Time limit on tax increment allocation
  - f. Costs of providing facilities/services to the Stonestown EIFD and projected revenues from development in the Stonestown EIFD
  - g. Fiscal Impact Analysis
  - h. Goals of the Stonestown EIFD for each project

# Stonestown Map at EIFD Formation and After Subdivision



# Description of EIFD Facilities

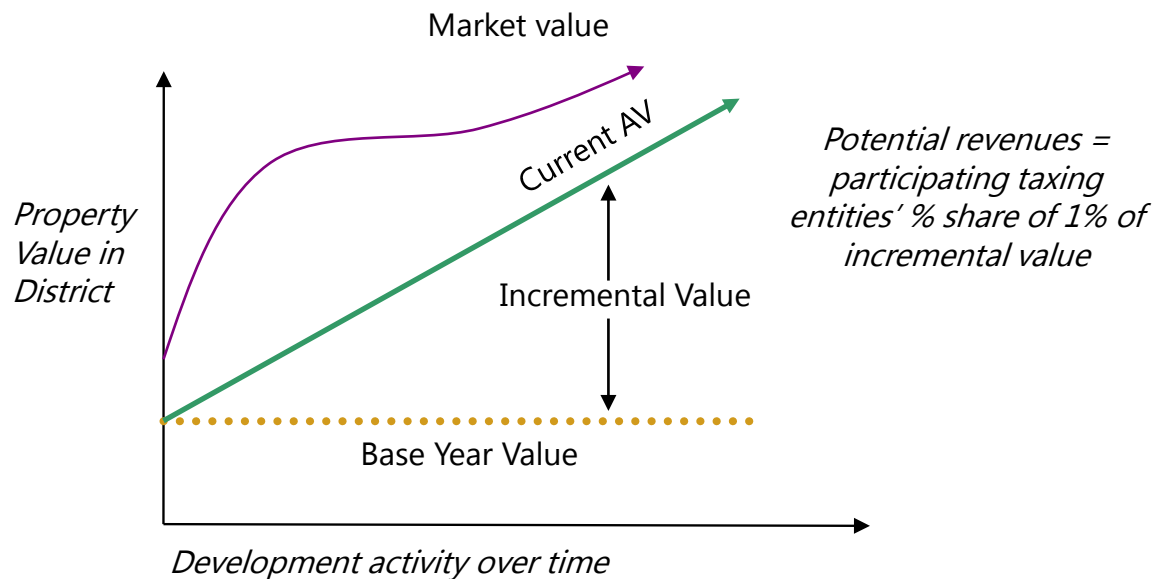
- Public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are:
  - i. authorized by the EIFD Law and
  - ii. related to the development of the project known as the Stonestown Project, including public capital facilities, privately-owned community improvements, and privately-owned affordable housing costs

Facility	Estimated Improvement Costs (\$millions)	Estimated Timing	Location
Streets	\$103.83	2027-2051	Entire Project
Site Work	\$42.4	2027-2051	Entire Project
Utilities	\$124.53	2027-2051	Entire Project
Parks (RPD Parcel Improvements)	\$0.48	2027-2041	RPD Parcel
Affordable Housing	\$166.82	2027-2051	Entire Project
<b>Total</b>	<b>\$438.06</b>		



# Tax Increment Allocation

- The Stonestown EIFD is projected to generate tax increment by capturing growth in assessed value in the EIFD above the FY2025-26 base year value of \$191.1M
- A portion of the increase in property tax revenues is allocated to fund infrastructure and other projects of communitywide significance
- Allocated Tax Revenue will be used to pay bond debt service and paygo costs
- Conditional Tax Revenue is only intended to provide debt service coverage for bonds and must be repaid to City if used



Gross Tax Increment as a % of Incremental Assessed Property Value	1.0000%
Non-City Share of Gross Tax Increment	35.4118%
City Share of Gross Tax Increment	64.5882%
Allocated Tax Revenue = 58.252419% of the City Share of Increment <sup>1</sup>	37.6242%
Conditional Tax Revenue = 41.747581% of the City Share of Increment <sup>1</sup>	26.9640%

1. The City IFD Guidelines provide that the City can allocate 50% of total incremental property tax revenues and 50% of property tax in lieu of vehicle license fee (VLF) revenues to the EIFD. For ease of implementation, the City will allocate 58.3% of its total incremental property tax revenues, which is equal to 50% of its total incremental property tax revenues and 50% of its incremental property tax in lieu of vehicle license fee (VLF).

# Projected Tax Increment and Fiscal Impact

- Projected Aggregate Allocated Tax Revenue: \$1.56 billion
  - Maximum Aggregate Allocated Tax Revenue: \$3.12 billion<sup>1</sup>
- Projected Aggregate Conditional Tax Revenue: \$1.12 billion
  - Maximum Aggregate Conditional Tax Revenue: \$2.24 billion<sup>1</sup>
- Assuming the Stonestown Project achieves the sponsor's performance projections, the Project is estimated to annually generate a \$774,000 net fiscal benefit to the City's General Fund at buildout



1. Nominal dollars over the life of the Stonestown EIFD



# EIFD Policy Compliance

- ✓ Large scale project with significant rezoning, extensive need for infrastructure, and IFD funding necessary for feasibility
- ✓ Project results in a net fiscal benefit to General Fund after tax increment diversion
- ✓ 50% of tax increment allocated to EIFD, remainder continues to flow to City
- ✓ Debt payments for this EIFD plus all other formed IFDs are not projected to exceed 5% of annual property tax revenue
- ✓ Subject to ten year “use it or lose it” requirement





# Stonestown EIFD Formation Next Steps

Date	Milestones	BOS / PFA
January 14, 2026	Budget & Finance Committee Public Hearing and Consideration of Resolution Approving the IFP and Related Documents and Actions	BOS
January 27, 2026*	Board of Supervisors Consideration of Resolution Approving the IFP and Related Documents and Actions	BOS
February 12, 2026*	Second Public Hearing of the PFA Vote whether to Adopt IFP Vote whether to Establish Stonestown EIFD	PFA

*\*Estimated based on current schedule*



# Appendix



# Description of Stonestown EIFD Project Areas

The Stonestown EIFD will consist of two project areas at formation. Upon further subdivision of certain properties, the Stonestown EIFD is expected to consist of nine project areas.

		Land Allocation <sup>1</sup>	Improvements Allocation <sup>2</sup>		Land + Imp
Project Area at Formation of EIFD	Project Area After Subdivision	APN at Formation (Land Allocation)	APN at Formation (Improvement Allocation)	Unsecured AV	FY 2025/26 Land + Imp + Unsecured AV
Project Area A	Project Area 1	7295-006, 7295-007, 7295-035, 7295-037 (est 19.7%), 7295-038 (est 0.1%)	7295-035	\$0	\$37,556,758
	Project Area 2	7295-037 (est 37.5%), 7295-038 (est 10.6%)	7295-038 (est 0.4%)	\$27,041	\$10,271,467
	Project Area 3	7294-037 (est 21.9%), 7295-038 (est 16.7%)	7295-038 (est 0.4%)	\$0	\$15,819,986
	Project Area 4	7295-038 (est 5.8%), Vacated Winston Drive Public R/W	7295-038 (est 0.8%)	\$0	\$6,963,116
	Project Area 5	7295-038 (est 22.5%), 7295-037 (est 19.9%)	7295-038 (est 15.2%)	\$1,985,684	\$54,379,952
	Project Area 6	Vacated Monte Vista Drive, 7295-004 (est 0.4%), 7295-038 (est 23.0%)	Vacated Monte Vista Drive, 7295-038 (2.9%)	\$2,923,394	\$29,740,136
Total Project Area A		\$104,091,653	\$45,703,643	\$4,936,119	\$154,731,415
Project Area B	Project Area 7	7296-005 (est 36.1%)	N/A	\$0	\$8,466,750
	Project Area 8	7296-005 (est 34.2%), 7296-008 (est 63.0%)	N/A	\$0	\$8,462,170
	Project Area 9	7296-006 (est 4.3%), 7296-007 (est 84.8%), 7296-008 (est 25.6%)	7296-007 (100%)	\$0	\$19,423,331
Total Project Area B		\$24,527,755	\$11,824,496	\$0	\$36,352,251
Total EIFD		\$126,097,464	\$56,400,139	4,936,119	\$191,083,666

1. Land: The allocation of APN FY 2025/26 assessed land values among the future Project Areas is proportionate to the distribution of the land area of each APN among the Project Areas.
2. Improvements: the allocation of APN FY 2025/26 assessed improvement values among the future Project Areas is proportionate to the distribution of the square footage of improvements on each APN among the Project Areas.



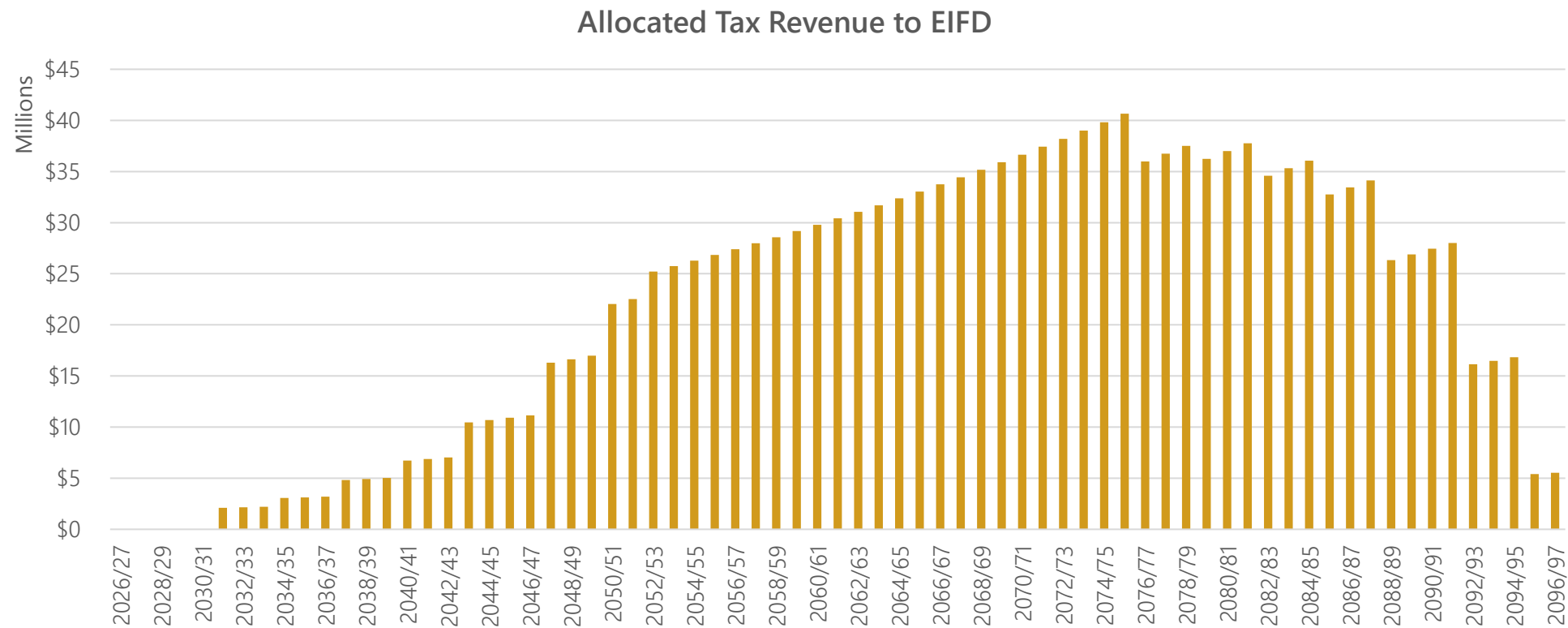
# Finding of Communitywide Significance

## Communitywide Significance Finding (See Section C of IFP for details)

- Finding assumes that the formation of the Stonestown EIFD will enable the development of the Stonestown Project, for which the City has determined will provide clear benefits to the public and neighboring communities, including:
  - i. conversion of parking lots to housing, including affordable housing
  - ii. construction and maintenance of new pedestrian pathways, and landscape areas of approximately six acres of publicly accessible open areas
  - iii. transportation demand management measures that exceed the level otherwise required
  - iv. street and infrastructure improvements, including enhancement of existing public rights-of-way
  - v. workforce obligations
  - vi. on-site childcare facilities
  - vii. a replacement on-site senior center
  - viii. improvements to Rolph Nicol Jr. Playground

# Financing Section

## Projection of Allocated Tax Revenues



- Allocated Tax Revenue is projected to total \$1.562 billion and Conditional Tax Revenue is projected to total \$1.120 billion across all Project Areas
- For each project area, the 45-year clock commences once \$100k of increment in a given fiscal year is allocated