

LEGISLATIVE DIGEST

[Establishing an Infrastructure Financing District and Adopting an Infrastructure Financing Plan]

Ordinance establishing an Infrastructure Financing District and adopting an Infrastructure Financing Plan for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco).

Existing Law

State law (Gov't Code §§ 53395 et seq.) authorizes local jurisdictions to establish special districts known as infrastructure financing districts (IFDs) that are authorized to use property tax increment to finance public facilities, and includes provisions that are specific to the Port of San Francisco (Port). By Ordinance No. 19011, File No. 101557, the Board of Supervisors created an IFD and approved an infrastructure financing plan for City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area). By Resolution No. 66-11, File No. 110036, the Board of Supervisors adopted Guidelines for the Establishment and Use of Infrastructure Financing Districts, which provides parameters for IFDs formed in the City and County of San Francisco, except IFDs formed on Port property. By Resolution No. _____, File No. 120613, the Board of Supervisors adopted Guidelines for the Establishment and Use of Infrastructure Financing Districts on Property under Jurisdiction of the San Francisco Port Commission, setting parameters for IFDs formed exclusively on Port property (Port IFDs) and addressing the annexation of property that is not under Port jurisdiction to Port IFDs.

Amendments to Current Law

The proposed ordinance would: (1) form a new Port IFD encompassing all of the Port's property, and designate the following project areas within the Port IFD: (a) Project Area A (Seawall Lot 330); (b) Project Area B (Piers 30-32); (c) Project Area C (Seawall Lot 351); (d) Project Area D (Pier 48); and (e) Project Area E (Pier 70) within; (2) adopt an infrastructure financing plan for the entire Port IFD that describes the procedures for allocating property and using property tax increment, but does not authorize any allocation or expenditure of tax increment, for public facilities; and (3) approve Appendices A, B, C, D, and E to the infrastructure financing plan approving financing plans specific to each project area and specifying the conditions precedent to the allocation of property tax increment from each project area to the Port IFD for specified public facilities.

Background Information

The Port has over \$2 billion in deferred maintenance and plans to use the Port IFD to provide property tax increment financing to assist in its capital repair and maintenance efforts. IFD law contains provisions unique to land under Port jurisdiction. Planned projects will preserve important historic resources and generate economic activity far in excess of the value of the property tax increment dollars allocated to the Port IFD. The Port's proposed use of Port IFDs resembles property tax increment financing used under former state redevelopment law, which employed a "pump-priming" strategy under which property tax increment revenues are used on the front-end to build infrastructure that will attract new private investment to create jobs and small business opportunities, serve as regional assets, and attract visitors and residents to the waterfront.