



STONESTOWN DEVELOPMENT PROJECT

BUDGET & FINANCE COMMITTEE



**San Francisco
Planning**



SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT

July 10, 2024

Proposed Actions at Budget & Finance Committee

- Ordinance approving a Development Agreement (BOS File No. 240410)
- Resolution of Intention to form Enhanced Infrastructure Financing District (EIFD) (BOS File No. 240681)
- Ordinance Amending the Administrative Code regarding the Public Financing Authority (PFA) (BOS File No. 240638)

Prior Approvals

Boards and Commissions:

- Planning Commission on 5/9/24
- Recreation and Parks Commission on 5/9/24 and 5/16/24
- Municipal Transportation Agency Board on 5/21/24
- Public Utilities Commission on 5/28/24
- Capital Planning Committee on 6/24/24

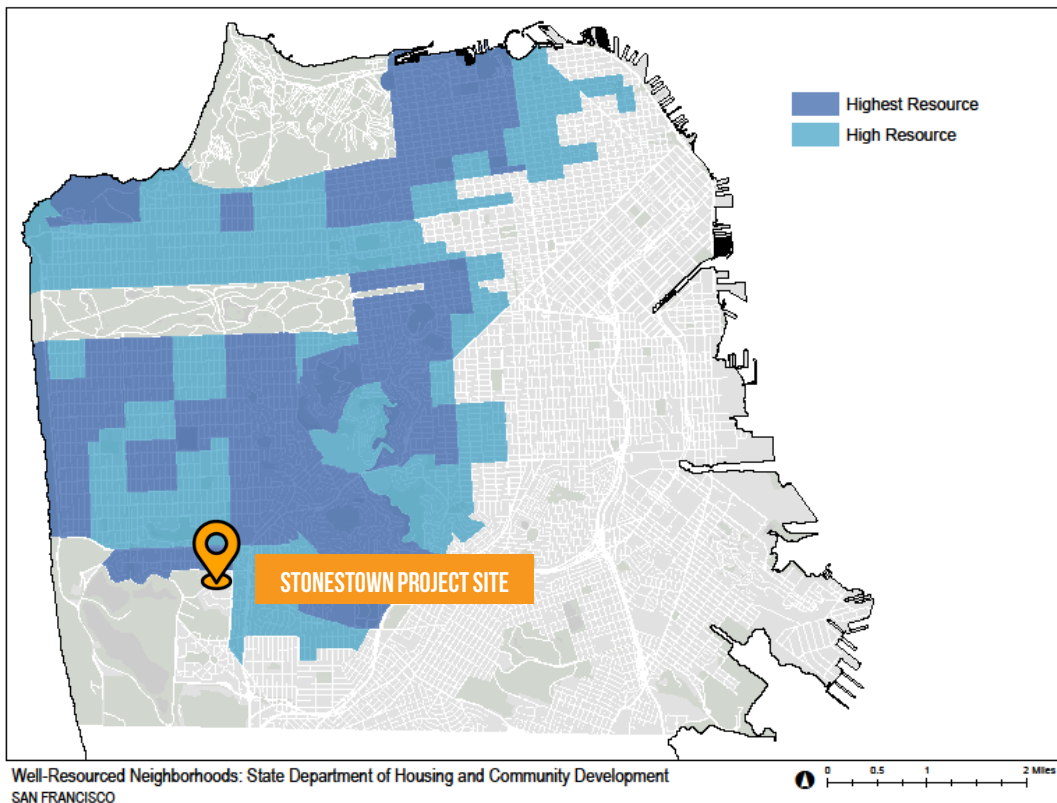
Board of Supervisors

- Considered by Land Use & Transportation Committee on 7/8/24

PROJECT OVERVIEW



Housing on San Francisco's West Side



- The Stonestown project site is adjacent to well-resourced neighborhoods on the City's west side.
- Given the City's housing goals, and the site's proximity to transportation, open space and neighborhood amenities, the Stonestown site is well suited for housing development.
- The proposed project is included in the Sites Inventory of the 2022 Housing Element

A TRANSFORMATIVE OPPORTUNITY



Process and Timeline



Opportunities for Public Input



Outreach and Engagement

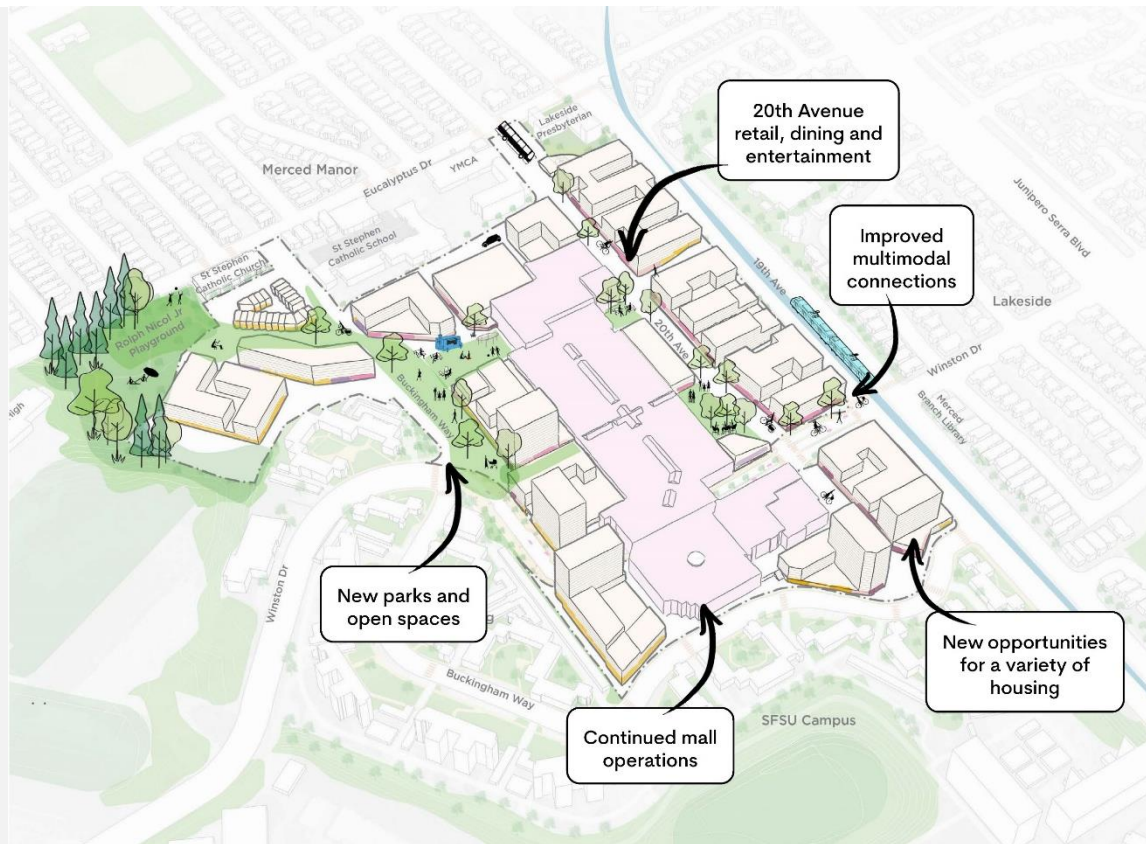
- 8 Public Workshops (600+ attendees).
- 14 Community Working Group Meetings.
- 2,000+ Neighbor Conversations (email, phone, in-person).
- 15,000+ Website visitors.
- 250+ Hours of in-person and zoom office hours.
- Project responded with increased density, reappropriating height, and traffic mitigations.



Project Overview Major Elements

Transforming surface parking lots into a residential neighborhood

- 3,500 new residential units from 3-18 floors, and up to 5 towers.
- Nearly 6 acres of publicly accessible parks and plazas.
- New retail main street on 20th Avenue.
- New safe, accessible bike and pedestrian pathways, and multimodal connections.
- Underground and above ground parking.



DEVELOPMENT AGREEMENT KEY TERMS



Development Agreement Key Terms

Parks and Open Space

- 6 acres of new publicly accessible open spaces:
 - Greenway Park
 - Plazas including Farmers Market plaza
 - Mid-block pedestrian connections throughout site
- Improvements to Rolph Nicol Jr. Playground.
- \$1M contribution to Rec Park for future park improvements.



Development Agreement Key Terms

Affordable Housing

- Affordable housing equaling 20% of all units.
- Obligation can be met through three methods:
 - Constructing inclusionary onsite units within market rate buildings
 - Donating up to three parcels for 100% affordable housing
 - Paying an affordable housing in-lieu fee on up to 390 units
- Senior Village – Option to convey Parcel E5 to the City for 100% affordable senior housing project.
- Prioritize in-lieu fees to support SFSU Educator Village, and 100% affordable housing within 2 miles of the site.



Development Agreement Key Terms

Street Redesign and Transportation

- Fully redesigned street network.
- Pedestrian-focused design including 20th Ave retail corridor and improved walking connections.
- 2-way protected bikeways.
- New utilities and green infrastructure.
- Bus priority measures, new Muni easement, transit only lane, and two transit operator restrooms.
- Transportation Demand Management (TDM) plan with ongoing monitoring.
- Project contributes ~\$50M in transportation fees.



Mall main entry at Winston Drive (existing)



Winston Drive (proposed)

Development Agreement Key Terms

Community Facilities

Child Care Facility

- New 7,500 sq ft onsite child care facility (or two 4,000 sq ft facilities).
- Space for 100 children and adjacent outdoor space.
- Nonprofit provider with partially subsidized rent.
- At least 15% would be affordable to low-income households.

Senior Center

- New 7,000 sq ft onsite senior center.
- Provided prior to demolition of the existing YMCA senior center annex.
- Rented to a nonprofit operator for \$1 per year.



Development Agreement Key Terms

Workforce and Economic Benefits

Workforce Agreement

- First Source Hiring for Construction and Operations.
- Local Hiring for work in public streets and park.
- Local Business Enterprise obligations, including 10% Micro-LBE goal.
- Prevailing wage for all public works contracts.

Economic Impact

- ~800 jobs in San Francisco annually, during project development.
- Direct project impact estimated at >1,000 permanent jobs and >\$325M per year in San Francisco.

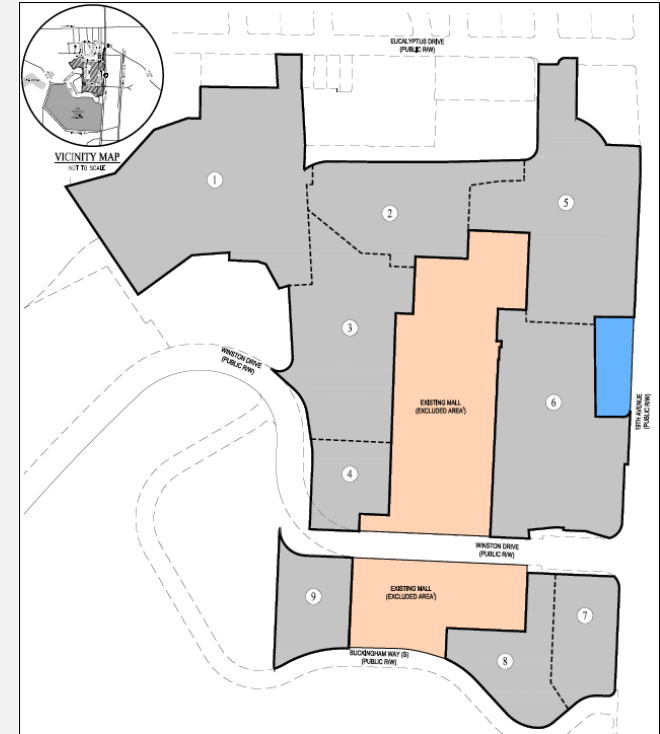


ENHANCED INFRASTRUCTURE FINANCING DISTRICT (EIFD)



EIFD Summary

- EIFD is a state-authorized public financing tool that pledges incremental property taxes within a specific geographic area to fund public capital facilities related to the development in the district.
- Resolution of Intention (ROI) initiates the EIFD formation process.
- The Public Financing Authority (PFA) is the governing body of the EIFD and oversees drafting and implementation of Infrastructure Financing Plan (IFP).
- IFP comes back to the Board of Supervisors for final approval before EIFD formation, estimated Q1 2025.



Why an EIFD at Stonestown

- Like many projects, Stonestown is not currently financially feasible given today's economics, including construction costs and interest rates.
- Additionally, Stonestown has unique costs due to significant new infrastructure, replacement parking, and construction at an operating mall.
- EIFD harnesses net new tax revenue generated by the project to support the project's cost of infrastructure, which is otherwise difficult to finance.
- EIFD significantly improves the project's economics, resulting in a project that can commence construction of much needed housing and associated community benefits sooner into the City's economic recovery.

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.
- ✓ In compliance with policy that IFD debt payments will not exceed 5% of annual property tax revenue.
- ✓ Subject to ten year “use it or lose it” clause.

PUBLIC FINANCING AUTHORITY (PFA)



Ordinance Amending PFA in Administrative Code

- EIFD law requires the Public Financing Authority (PFA) to be the legislative body overseeing the EIFD and responsible for reviewing and implementing the IFP.
- The Board approved the creation of the PFA in 2023 during the formation of the Power Station EIFD, and all members have been seated.
- This Ordinance amends the administrative code to allow the existing PFA to oversee future EIFDs, including for Stonestown, where designated by the Board in the Resolution of Intention.



THANK YOU



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