File No. 180779 Committee Item No. _____
Board Item No. 17

COMMITTEE/BOARD OF SUPERVISORS

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Prepared by: Lisa Lew Date: September 6, 2018
Prepared by: _____ Date: _____

[Proposing Adoption of Infrastructure Financing Plan - Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)]

Resolution proposing adoption of the Infrastructure Financing Plan and formation of City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); providing for future annexation; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53369 ("IRFD Law"), the Board of Supervisors is authorized to establish an infrastructure and revitalization financing district and to act as the legislative body for an infrastructure and revitalization financing district; and

WHEREAS, IRFD Law, Section 53369.14(d)(5) provides that the legislative body of a proposed infrastructure and revitalization financing district may specify, by ordinance, the date on which the allocation of tax increment will begin, and the Board of Supervisors has indicated that it wishes to specify the date on which the allocation of tax increment will begin for the proposed infrastructure and revitalization financing district; and

WHEREAS, Pursuant to the IRFD Law, the Board of Supervisors adopted its "Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call a public hearing on September 11, 2018, on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental

Quality Act" ("Resolution of Intention to Establish IRFD"), stating its intention to form "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)," pursuant to the IRFD Law; and

WHEREAS, The Resolution of Intention to Establish IRFD, is on file with the Clerk of the Board of Supervisors and the provisions thereof, except as modified by this Resolution, are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, The City intends to form the IRFD for the purpose of financing the cost of certain facilities ("Facilities") as further provided in the Resolution of Intention to Establish IRFD; and

WHEREAS, The Board of Supervisors has also adopted a resolution entitled "Resolution authorizing and directing the Executive Director of the Port of San Francisco, or designee thereof, to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act," to order preparation of an infrastructure financing plan for the IRFD ("Infrastructure Financing Plan") consistent with the requirements of the IRFD Law; and

WHEREAS, The Infrastructure Financing Plan includes a list of the Facilities to be financed by tax increment revenues of the IRFD; and

WHEREAS, As required by the IRFD Law, the Clerk of the Board of Supervisors caused to be mailed a copy of the Resolution of Intention to Establish IRFD to each owner of land within the proposed IRFD and each affected taxing entity (as defined in the IRFD Law); and

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WHEREAS, As further required by the IRFD Law, the Executive Director of the Port of San Francisco ("Executive Director") prepared and sent the Infrastructure Financing Plan, along with any report required by the California Environmental Quality Act ("CEQA") (California Public Resources Code, Sections 21000 et seq.) that pertains to the proposed Facilities or the proposed development project for which the Facilities are needed ("CEQA Report"), to (i) each owner of land within the proposed IRFD and (ii) each affected taxing entity; and the Executive Director also sent the Infrastructure Financing Plan and the CEQA Report to the City's Planning Commission and the Board of Supervisors; and

WHEREAS, The Clerk of the Board of Supervisors made the Infrastructure Financing Plan available for public inspection; and

WHEREAS, On September 11, 2018, as required by the IRFD Law, the Board of Supervisors, as the legislative body of the City, which is the only affected taxing entity which is proposed to be subject to the division of taxes pursuant the IRFD Law, considered and adopted its resolution "Resolution approving infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act," pursuant to which the Board of Supervisors, as the governing body of the City, in its capacity as an affected taxing entity, approved the Infrastructure Financing Plan and the procedures for future annexation of territory into the IRFD described in the Resolution of Intention to Establish IRFD; and

WHEREAS, On September 11, 2018, following publication of a notice consistent with the requirements of the IRFD Law, the Board of Supervisors held a public hearing as required by the IRFD Law relating to the proposed IRFD, the proposed Infrastructure Financing Plan and the proposed future annexation of territory into the IRFD in the manner described in the

Resolution of Intention to Establish IRFD; and

WHEREAS, At the hearing any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, and all written and oral objections, and all evidence and testimony for and against the adoption of the Infrastructure Financing Plan, were heard and considered, and a full and fair hearing was held; and

WHEREAS, The Board of Supervisors wishes to propose adoption of the Infrastructure Financing Plan, and formation of the IRFD; now, therefore, be it

RESOLVED, That the foregoing recitals are true and correct; and, be it

FURTHER RESOLVED, That all prior proceedings taken by the Board of Supervisors in connection with the establishment of the IRFD and preparation and approval of the Infrastructure Financing Plan have been duly considered and are hereby found and determined to be valid and in conformity with the IRFD Law; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby proposes formation of the IRFD and division of taxes of the City as described in the Infrastructure Financing Plan. The proposed IRFD shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard);" and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby proposes adoption of the Infrastructure Financing Plan in the form on file with the Clerk of the Board of Supervisors; and, be it

FURTHER RESOLVED, That future annexations of property into the IRFD may occur at any time after formation of the IRFD, but only if the Board of Supervisors has completed the procedures set forth in the Infrastructure Financing Plan, which shall be based on the following: (i) the Board of Supervisors adopts a resolution of intention to annex property (the "annexation territory") into the IRFD and describes the annexation territory to be included in

the IRFD, (ii) the resolution of intention is mailed to each owner of land in the annexation territory and each affected taxing entity in the annexation territory, if any, in substantial compliance with IRFD Law Sections 53369.11 and 53369.12, (iii) the Board of Supervisors directs the Port to prepare an amendment to the Infrastructure Financing Plan, if necessary, and the designated official prepares any such amendment, in substantial compliance with IRFD Law, Sections 53369.13 and 53369.14, (iv) any amendment to the Infrastructure Financing Plan is sent to each owner of land and each affected taxing entity (if any) within the annexation territory, in substantial compliance with IRFD Law, Sections 53369.15 and 53369.16, (v) the Board of Supervisors notices and holds a public hearing on the proposed annexation, in substantial compliance with IRFD Law, Sections 53369.17 and 53369.18, (vi) the Board of Supervisors adopts a resolution proposing the adoption of any amendment to the Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and submits the proposed annexation to the qualified electors in the annexation territory, in substantial compliance with IRFD Law, Sections 53369.20-53369.22, with the ballot measure to include the question of the proposed annexation of the annexation territory into the IRFD, approval of the appropriations limit for the annexation territory and approval of the issuance of bonds for the annexation territory, and (vii) after canvass of returns of any election, and if two-thirds of the votes cast upon the question are in favor of the ballot measure, the Board of Supervisors may, by ordinance, adopt the amendment to the Infrastructure Financing Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial compliance with IRFD Law, Section 53369.23; and, be it

FURTHER RESOLVED, That in accordance with IRFD Law, Sections 53369.5(b) and 53369.14(d)(5), the Board of Supervisors shall establish, by ordinance, the date on which the allocation of tax increment shall begin for the IRFD ("Commencement Date"), with the Commencement Date being the first day of the fiscal year following the fiscal year in which the

IRFD has generated and the City has received at least $100,000 of tax increment; and, be it

FURTHER RESOLVED, That in accordance with the IRFD Law, the annual appropriations limit for the IRFD, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, is hereby established at $91.9 million, and said appropriations limit shall be submitted to the qualified electors of the proposed IRFD; the proposition establishing the annual appropriations limits shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with applicable law; and, be it

FURTHER RESOLVED, That pursuant to the provisions of the IRFD Law, the proposition to establish the IRFD, the proposition to approve the Infrastructure Financing Plan and the proposition to establish the appropriations limit specified above shall be submitted to the qualified electors of the IRFD at an election, and the time, place and conditions of the election shall be as specified by a separate resolution of the Board of Supervisors, and the Board of Supervisors directs staff, within three business days, to provide the Director of Elections of the City and County of San Francisco, as the official to conduct the election, with the following: this Resolution, a certified map of sufficient scale and clarity to show the boundaries of the proposed IRFD, and a sufficient description (including the assessor's parcel numbers in a landowner election) to allow the Director of Elections to determine the boundaries of the proposed IRFD; and, be it

FURTHER RESOLVED, That in the Resolution of Intention to Establish IRFD, the Board of Supervisors made certain findings under the CEQA about the Final Environmental Impact Report for the Pier 70 Mixed-Use District Project, and those findings are incorporated in this Resolution as if set forth in their entirety herein; and, be it

FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision

shall not affect the validity of the remaining portions or applications of this resolution, the Board of Supervisors hereby declaring that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it

FURTHER RESOLVED, That the Mayor, the Controller, the Director of Elections, the Director of the Office of Public Finance, the Executive Director, the Clerk of the Board of Supervisors and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by the Board of Supervisors; and, be it

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FURTHER RESOLVED, That this Resolution shall take effect upon its enactment. Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution unsigned or does not sign the resolution within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the resolution.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
MARK D. BLAKE
Deputy City Attorney
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August 16, 2018

City and County of San Francisco
Attn: Mayor London Breed
1 Dr. Carlton B. Goodlett Place
City Hall, Room 200
San Francisco, CA 94102

Board of Supervisors
City and County of San Francisco
Attn: Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

San Francisco Planning Commission
The Planning Department
Attn: Commission Secretary
1650 Mission Street, Suite 400
San Francisco, CA 94103

To Whom It May Concern:

Re: *City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)*

On Tuesday, July 24, 2018, a resolution entitled, "Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call a public hearing on September 11, 2018, on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act" ("Resolution of Intention") was adopted at the meeting of the Board of Supervisors of the City and County of San Francisco (the "City"). Under the Resolution of Intention, the Board of Supervisors states its intention to form the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)" (the "IRFD") pursuant to Government Code Section 53369 et seq. (the "IRFD Law").

The City is proposing formation of the IRFD for the purpose of financing construction of affordable housing within Pier 70 and Parcel K South.

As part of the formation process, the City must prepare a draft Infrastructure Financing Plan for the IRFD. The City must also distribute the draft Infrastructure Financing Plan, along with any report required by the California Environmental Quality Act ("CEQA") relating to the

proposed public facilities to be funded by the IRFD and the proposed private development projects within the boundaries of the IRFD, to each governmental taxing agency that levied or had levied on its behalf a property tax on the property in the proposed IRFD in the fiscal year prior to the designation of the IRFD.

The adopted Resolution of Intention and the draft Infrastructure Financing Plan are enclosed with this letter. The environmental reports required by CEQA ("Relevant EIRs") for the project and any associated private development projects, which Relevant EIRs are described in the remaining portion of this paragraph, are incorporated in their entirety by this reference and are available on the website of the San Francisco Planning Department. On August 24, 2017, the San Francisco Planning Commission by Motion No. 19976 and Motion No. 19977, certified the completion of the Final Environmental Impact Report for the Pier 70 Mixed-Use District Project (the "Project"), and approved other entitlement and transaction documents relating to the Project, including certain environmental findings under CEQA, including a statement of overriding consideration, and a mitigation and monitoring and reporting program (the "MMRP"). On November 14, 2017, the Board of Supervisors, in Ordinance No. 227-17, adopted the CEQA findings and the MMRP, and made certain environmental findings under CEQA (collectively, the "FEIR").

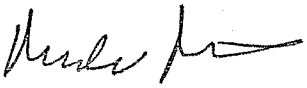
Formation of the proposed IRFD will require, among other actions, approval of an Infrastructure Financing Plan by the Board of Supervisors. This approval is required before the Board of Supervisors can adopt an ordinance to allocate a portion of the City's incremental property tax revenue to the IRFD. It is possible that changes to the draft Infrastructure Financing Plan will be made prior to its adoption by the Board of Supervisors. In the event any such changes are made, such changes will be sent to you prior to the approval of the Infrastructure Financing Plan by the Board of Supervisors. Although subject to change, adoption by the Board of Supervisors of the Infrastructure Financing Plan is currently anticipated to occur on Tuesday, October 16, 2018.

In addition, as part of the process of forming the IRFD, a public hearing and a landowner election will be required to be held. The public hearing is scheduled to be opened on Tuesday, September 11, 2018, and anticipated to be continued to Tuesday, October 16, 2018. The landowner election is anticipated to occur after the conclusion of the hearing on October 16, 2018.

I am sending you this letter in order to comply with the requirements of the IRFD Law. By this letter, I am also requesting the Clerk of the Board of Supervisors to make the Infrastructure Financing Plan and the Relevant EIRs available for public inspection, as required by Section 53369.15 of the IRFD Law.

Should you have any questions, please feel free to contact me at the number below.

Very truly yours,



Michael J. Martin
Deputy Director, Real Estate & Development
Tel: 415-274-0544

Enclosures

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)

INFRASTRUCTURE FINANCING PLAN

Originally adopted:

Date: , 20 Ordinance No.:

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 2
(Hoedown Yard)

IRFD. The Board of Supervisors (the "**Board of Supervisors**") of the City and County of San Francisco (the "**City**"), pursuant to the provisions of Government Code Section 53369 et seq. (the "**IRFD Law**"), and for the public purposes set forth therein, proposes to adopt a Resolution of Intention (the "**Resolution of Intention**"), pursuant to which it declares its intention to conduct proceedings to establish the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)" (the "**IRFD**").

In the Resolution of Intention, the type of facilities proposed to be financed by the IRFD pursuant to the IRFD Law consists of new buildings, along with supporting infrastructure and amenities, in which 100% of the residential units (with the exception of a manager's unit) would be below-market-rate units to be located within the approximately 28 acres of land in the waterfront area of the City known as Pier 70 (the "**Project Site**") and an area of land in the vicinity of the Project Site and within Pier 70 commonly known as "**Parcel K South**" as more particularly described in Attachment 1 hereto and hereby incorporated herein (the "**Facilities**"). The Facilities are authorized to be financed by the IRFD by IRFD Law Sections 53369.2 and 53369.3.

Additionally, the Board of Supervisors proposes to adopt a Resolution Authorizing Executive Director of the Port of San Francisco to Prepare an Infrastructure Financing Plan Related to an Infrastructure and Revitalization Financing District, pursuant to which it authorizes and directs the Executive Director of the Port of San Francisco, or designee, to prepare an infrastructure financing plan for the IRFD and to determine other matters in connection therewith. Pursuant to Section 53369.14 of the IRFD Law and the Board of Supervisors' proposed resolution, the infrastructure financing plan must be consistent with the general plan of the City and include the following:

a) A map and legal description of the proposed IRFD.

b) A description of the facilities required to serve the development proposed in the area of the IRFD including those to be provided by the private sector, the facilities to be provided by governmental entities without assistance under the IRFD Law, the facilities to be financed with assistance from the proposed IRFD, and the facilities to be provided jointly. The description shall include the proposed location, timing, and costs of the facilities.

c) A finding that the facilities are of communitywide significance.

d) A financing section, which shall contain all of the following information:

    1) A specification of the maximum portion of the incremental tax revenue of the City and of each affected taxing entity (as defined in the IRFD Law) proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue; provided however such portion of incremental tax revenue need not be the same for all affected taxing entities, and such portion may change over time.

    2) A projection of the amount of tax revenues expected to be received by the IRFD in each year during which the IRFD will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity proposed to be

committed to the IRFD for each year. If applicable, the plan shall also include a specification of the maximum portion of the net available revenue of the City proposed to be committed to the IRFD for each year during which the IRFD will receive revenue, which portion may vary over time.

3) A plan for financing the facilities, including a detailed description of any intention to incur debt.

4) A limit on the total number of dollars of taxes that may be allocated to the IRFD pursuant to the plan.

5) A date on which the IRFD will cease to exist, by which time all tax allocation to the IRFD will end. The date shall not be more than 40 years from the date on which the ordinance forming the IRFD is adopted, or a later date, if specified by the ordinance, on which the allocation of tax increment will begin.

6) An analysis of the costs to the City of providing facilities and services to the IRFD while the area within the IRFD is being developed and after the area within the IRFD is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the IRFD.

7) An analysis of the projected fiscal impact of the IRFD and the associated development upon each affected taxing entity that is proposed to participate in financing the IRFD.

8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the IRFD and qualifies for the Transit Priority Project Program, pursuant to Government Code Section 65470, including any permit and affordable housing expenses related to the project.

9) If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or facilities construction within the area of the IRFD, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53369.6 of the IRFD Law.

This Infrastructure Financing Plan for the IRFD, including all exhibits and attachments (the "**IFP**"), is intended to comply with the requirements of the IRFD Law. The Board of Supervisors may, at various times, amend or supplement this IFP by ordinance to address the unique details of the Hoedown Yard, Facilities, Project Site, or Parcel K South and for other purposes permitted by the IRFD Law.

A. Boundaries of Proposed IRFD

The boundaries of the proposed IRFD are described in the map attached to this IFP as Attachment 2. The legal description of the IRFD is also attached to this IFP as Attachment 2.

As of the date of adoption of this IFP, certain property that is intended to be included in the IRFD is owned by the City and cannot initially be included in the IRFD under the IRFD Law ("Annexation Property"). The Annexation Property is marked as the diagonally hatched

portion of "Existing Michigan Street" on the map included as Attachment 2. The City intends to sell the Annexation Property for private development in the future. After formation of the IRFD and sale of the Annexation Property for private development, the City will provide for annexation of the Annexation Property to the IRFD in the manner set forth below. Because the map and legal description included as Attachment 2 include the Annexation Property and the remainder of this IFP assumes that the Annexation Property is included in the IRFD, no amendment of this IFP will be required in connection with the annexation of the Annexation Property to the IRFD.

In the Resolution of Intention, the Board of Supervisors establishes the following procedures for annexation of the Annexation Property to the IRFD:

1. The Board of Supervisors adopts a resolution of intention to annex the Annexation Property into the IRFD;

2. The resolution of intention is mailed to the owner of the Annexation Property and each affected taxing entity in the annexation territory, if any, in substantial compliance with Sections 53369.11 and 53369.12 of the IRFD Law;

3. The Board of Supervisors directs the Executive Director of the Port to prepare an amendment to the IFP, if necessary, and the Executive Director of the Port prepares any such amendment, in substantial compliance with Sections 53369.13 and 53369.14 of the IRFD Law;

4. Any amendment to the IFP is sent to each owner of the Annexation Property and each affected taxing entity (if any) within the Annexation Property, in substantial compliance with Sections 53369.15 and 53369.16 of the IRFD Law;

5. The Board of Supervisors notices and holds a public hearing on the proposed annexation in substantial compliance with Sections 53369.17 and 53369.18 of the IRFD Law;

6. The Board of Supervisors adopts a resolution proposing the adoption of any amendment to the IFP and annexation of the Annexation Property to the IRFD, and submits the proposed annexation to the qualified electors in the Annexation Property, in substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot measure to include the questions of the proposed annexation of the Annexation Property into the IRFD, approval of the appropriations limit for the Annexation Property and approval of the issuance of bonds for the Annexation Property; and

7. After canvass of returns of any election, and if two-thirds of the votes cast upon the question are in favor of the ballot measure, the Board of Supervisors may, by ordinance, adopt the amendment to the Infrastructure Financing Plan, if any, and approve the annexation of the Annexation Property to the IRFD, in substantial compliance with Section 53369.23 of the IRFD Law.

B. Description of Facilities

The IRFD Law requires an infrastructure financing plan to contain the following information with respect to the IRFD.

1. Facilities to be provided by the private sector.

   Developers of Hoedown Yard parcels will be responsible for public improvements and facilities serving the parcels including but not limited to, parks, streets, and utilities. These costs will not be financed with tax increment generated in the IRFD.

2. Facilities to be provided by governmental entities without assistance under the IRFD Law.

   There are no facilities in the IRFD that will be provided only by governmental entities.

3. Facilities to be financed with assistance from the IRFD.

   The Facilities that will be funded with Allocated Tax Increment (as defined below) that is allocated to the IRFD consist of the affordable housing projects and supporting infrastructure and amenities described above and more particularly described in Attachment 1.

4. Facilities to be provided jointly by the private sector and governmental entities.

   The Facilities will be jointly provided by the private sector and governmental entities.

C. Finding of Communitywide Significance

The construction of the Facilities will serve a significant communitywide benefit in helping to alleviate the regional housing crisis, particularly the significant need for affordable housing located near job centers. The proposed Resolution of Intention includes a finding by the Board of Supervisors that the Facilities are of communitywide significance.

D. Base Year; Commencement of Tax Increment Allocation

The "**Base Year**" for the IRFD is the fiscal year in which the assessed value of taxable property in the IRFD was last equalized prior to the effective date of the ordinance adopted to create the IRFD or a subsequent fiscal year. The Base Year for the IRFD is FY 2017-2018.

Tax increment may begin to be allocated to the IRFD beginning in the fiscal year in which at least $100,000 of Gross Tax Increment (as defined below) is generated in the IRFD and received by the City.

E. Allocation of Tax Increment

1. The annual allocation of tax increment generated in the IRFD for purposes of Section 53369 of the IRFD Law will be the amount appropriated in each fiscal year by the Board of Supervisors for deposit in the special fund established for the IRFD.

2. The Board of Supervisors will appropriate 100 percent of the Allocated Tax Increment (as defined below) for allocation to the IRFD until the final day of the 40th fiscal year after the fiscal year in which Allocated Tax Increment is first allocated to the IRFD.

3. For purposes of this IFP, capitalized terms are defined as follows:

"Gross Tax Increment" is 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the IRFD;

"Incremental Assessed Property Value" is, in any year, the difference between the assessed value of the property within the IRFD for that fiscal year and the assessed value of the property within the IRFD in the Base Year, to the extent that the difference is a positive number;

"Allocated Tax increment" is 64.588206% of Gross Tax Increment.

F. Maximum Portion of Tax Increment Revenue of San Francisco and Affected Taxing Agencies to be Committed to the IRFD

100% of Allocated Tax Increment shall be allocated to the IRFD. Tax Increment from no other taxing agency is allocated to the IRFD.

G. Projection of Allocated Tax Increment Received by the IRFD

The financing section must include a projection of the amount of tax increment expected to be allocated to the IRFD.

The projection of Allocated Tax Increment that will be generated in the IRFD and allocated to the IRFD is attached as Rider #1 to this IFP.

H. Plan for Financing Facilities

The financing section must include the projected sources of financing for the Facilities, including debt to be repaid with Allocated Tax Increment.

The plan for financing the Facilities is presented in Table 1 of this IFP. As summarized in Exhibit A below, it is anticipated that the Facilities will be financed with a combination of Allocated Tax Increment from the IRFD used on a pay-go basis and bond proceeds secured and payable from Allocated Tax Increment. Table 1 and Exhibit A address the portion of the Facilities to be financed by tax increment and do not address any other sources of funding that may be applied to the Facilities.

Assessed values and property tax amounts are projected in Table 2 of this IFP.

Exhibit A

Anticipated Sources and Uses of Funds		
	2017/18 Dollars	Nominal Dollars
Anticipated Sources of Funds		
Annual Tax Increment	$70,170,000	$157,922,000
Bond Proceeds	$18,263,000	$22,210,000
Total Sources	**$88,433,000**	**$180,132,000**
Anticipated Uses of Funds		
Bond Debt Service	$33,158,000	$61,718,000
Affordable Housing	$18,969,000	$23,091,000
General Fund [1]	$36,306,000	$95,323,000
Total Uses	**$88,433,000**	**$180,132,000**

Notes
[1] Excess tax increment is allocated to the General Fund.

This IFP does not project the anticipated costs of administering the IRFD, but the Port of San Francisco, as agent of the IRFD, expects to pay the costs of administering the IRFD with Allocated Tax Increment from the IRFD.

I. Tax Increment Limit

The financing section must include a limit on the total number of dollars of tax increment that may be allocated to the IRFD pursuant to the IFP, subject to amendment of the IFP.

The tax increment limit for the IRFD is initially established at $315.8 million. This limit reflects the projected total Allocated Tax Increment of $157.9 million plus a contingency factor of 100% to account for variables such as higher assessed values of taxable property due to resales.

J. Time Limits

The financing section must include the following time limits:

A date on which the effectiveness of the infrastructure financing plan and all tax increment allocations to the IRFD will end not to exceed 40 years from the date the ordinance forming the IRFD is adopted or a later date specified in the ordinance on which the tax increment allocation will begin.

For the IRFD, the following is the applicable time limit:

- Date on which the effectiveness of the infrastructure financing plan with respect to the IRFD and all tax increment allocations to IRFD will end: ***the final day of the 40th fiscal year after the fiscal year in which Allocated Tax Increment is first allocated to the IRFD.***

K. Cost, Revenue , and Fiscal Impact Analysis

The financing section must include an analysis of: (a) the costs to the City's General Fund for providing facilities and services to the IRFD while the IRFD is being developed and after it is developed and (b) the taxes, fees, charges, and other revenues expected to be received by the City's General Fund as a result of expected development in the IRFD.

1. Costs to the City's General Fund for providing facilities and services to the IRFD while it is being developed and after the IRFD is developed.

   Estimates of costs to the City's General Fund for providing facilities and services to the IRFD, while it is being developed and after it is developed are detailed in Attachment 3: "Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project" and summarized in the following Exhibit B and Exhibit C, which are sourced from Attachment 3. As shown, the annual cost to the City's General Fund to provide services to the IRFD is estimated to approximate $138,000 in 2017 dollars. Service costs during the construction period are also estimated at $138,000 annually in 2017 dollars. General Fund costs are comprised of costs to provide police, fire, and emergency medical services to the project. The cost of maintaining and operating parks, open spaces, and roads will not be funded by the General Fund. These costs will be funded by a CFD services tax.

2. Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in the IRFD.

   Taxes, fees, charges and other revenues expected to be received by the City's General Fund as a result of expected development in the IRFD are detailed in Attachment 3: "Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project" and summarized in the following Exhibit C. As shown, upon stabilization, the IRFD is anticipated to generate annually $386,400 of revenue to the City's General Fund.

   As shown in Exhibit C, it is estimated that the IRFD will annually generate a net fiscal surplus to the City's General Fund of $248,400 per year expressed in 2017 dollars.

L. Plan for Financing Potential Costs for Projects Located in IRFD and Qualified for Transit Priority Project Program

Currently, the projects to be developed within the boundaries of the IRFD have not been qualified for the Transit Priority Project Program. However, to the extent that, in the future, one or more of these projects is qualified for the Transit Priority Project Program, a plan for financing any potential costs that may be incurred by reimbursing a developer of a project may be established at that point in time.

M. Plan for Providing Replacement of Removed or Destroyed Low- or Moderate-Income Dwelling Units and Relocation of Low- or Moderate-Income Persons or Families

There are no existing dwelling units within the area of the IRFD. Accordingly, inclusion of a plan for providing replacement of dwelling units and relocation of persons or families is not applicable to this IFP.

Exhibit B: Annual Service Costs During Development (2017 $)

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IFD											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
IRFD											
Hoedown Yard											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

8/31/17

Exhibit C: Estimated Annual Net General Revenues and Expenditures (2017 $)

Item	IFD Pier 70 28-acre Waterfront Site	IFD 20th/Illinois St.	IFD Annual Total	IRFD Hoedown Yard	SUD Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	$1,729,000	$225,000	1,954,000	$310,000	2,264,000
Property Transfer Tax	2,231,000	$204,000	2,435,000	$0	2,435,000
Sales Tax	772,000	$96,000	868,000	$129,000	997,000
Parking Tax (City 20% share)	0	$0	0	$0	0
Gross Receipts Tax	7,007,000	$2,000	7,009,000	$44,000	7,053,000
Subtotal, General Revenue	**$11,739,000**	**$527,000**	**$12,266,000**	**$483,000**	**$12,749,000**
(less) 20% Charter Mandated Baseline	($2,347,800)	($105,400)	($2,453,200)	($96,600)	($2,549,800)
Net to General Fund	**$9,391,200**	**$421,600**	**$9,812,800**	**$386,400**	**$10,199,200**
Public Services Expenditures					
Parks and Open Space		*Funded by Project Assessments*			
Roads		*Funded by Project Assessments*			
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	(853,000)	(52,000)	(905,000)	(69,000)	(974,000)
Subtotal, Services	**($1,702,000)**	**($104,000)**	**($1,806,000)**	**($138,000)**	**($1,943,000)**
NET General Revenues	**$7,689,200**	**$317,600**	**$8,006,800**	**$248,400**	**$8,256,200**
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
Subtotal	**$772,000**	**$96,000**	**$868,000**	**$130,000**	**$998,000**
Possessory Interest/Property Taxes (1)	**$17,328,000**	**$2,253,000**	**$19,581,000**	**$3,111,000**	**$22,692,000**
TOTAL, Net General + Other Revenues	**$25,789,200**	**$2,666,600**	**$28,455,800**	**$3,489,400**	**$31,946,200**

(1) Until project infrastructure costs are fully paid, the full $0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The $0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

8/31/17

Rider #1
PROJECTION OF ALLOCATED TAX INCREMENT, IRFD (HOEDOWN YARD)

FY 2017/18	Base Year - $0
FY 2024/25[1]	$1,830,000
FY 2025/26	$1,867,000
FY 2026/27	$2,748,000
FY 2027/28	$2,803,000
FY 2028/29	$2,859,000
FY 2029/30	$2,917,000
FY 2030/31	$2,975,000
FY 2031/32	$3,034,000
FY 2032/33	$3,095,000
FY 2033/34	$3,157,000
FY 2034/35	$3,220,000
FY 2035/36	$3,285,000
FY 2036/37	$3,350,000
FY 2037/38	$3,417,000
FY 2038/39	$3,486,000
FY 2039/40	$3,555,000
FY 2040/41	$3,626,000
FY 2041/42	$3,699,000
FY 2042/43	$3,773,000
FY 2043/44	$3,848,000
FY 2044/45	$3,925,000
FY 2045/46	$4,004,000
FY 2046/47	$4,084,000
FY 2047/48	$4,166,000
FY 2048/49	$4,249,000
FY 2049/50	$4,334,000

[1] For purposes of illustration only. The actual commencement date for Allocated Tax Increment to the IRFD will be the date the ordinance forming the IRFD is adopted or a later date specified in the ordinance on which the tax increment allocation will begin.

Rider #1 Continued

FY 2050/51	$4,421,000
FY 2051/52	$4,509,000
FY 2052/53	$4,599,000
FY 2053/54	$4,691,000
FY 2054/55	$4,785,000
FY 2055/56	$4,881,000
FY 2056/57	$4,978,000
FY 2057/58	$5,078,000
FY 2058/59	$5,179,000
FY 2059/60	$5,283,000
FY 2060/61	$5,389,000
FY 2061/62	$5,496,000
FY 2062/63	$5,606,000
FY 2063/64	$5,718,000
Cumulative Total, Rounded	$157,919,000

Table 1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

		Total 2017/18 Dollars	Total Nominal Dollars	Base Year FY 17/18	Year 1 FY 18/19	Year 2 FY 19/20	Year 3 FY 20/21	Year 4 FY 21/22	Year 5 FY 22/23	Year 6 FY 23/24	Year 7 FY 24/25
Available Property /Possessory Interest Tax Increment Revenue to IRFD											
General Fund	100%	$70,169,875	$157,921,600	$0	$0	$0	$0	$0	$0	$0	$1,830,400
Annual Total		**$70,169,875**	**$157,921,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,830,400**
IRFD Sources of Funds											
Annual Tax Increment		$70,169,875	$157,921,600	$0	$0	$0	$0	$0	$0	$0	$1,830,400
Bond Proceeds		$18,263,334	$22,209,740	$0	$0	$0	$0	$0	$0	$15,200,399	$0
Total Sources of Funds		**$88,433,209**	**$180,131,340**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$15,200,399**	**$1,830,400**
IRFD Uses of Funds											
Bond Debt Service		$33,158,008	$61,717,349	$0	$0	$0	$0	$0	$0	$0	$1,407,983
Affordable Housing		$18,969,149	$23,091,174	$0	$0	$0	$0	$0	$0	$15,200,399	$422,417
General Fund [1]		$36,306,052	$95,322,818	$0	$0	$0	$0	$0	$0	$0	$0
Total Uses of Funds		**$88,433,209**	**$180,131,340**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$15,200,399**	**$1,830,400**
Net IRFD Fund Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Notes
[1] Excess tax increment is allocated to the General Fund.

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Table 1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

		Year 8 FY 25/26	Year 9 FY 26/27	Year 10 FY 27/28	Year 11 FY 28/29	Year 12 FY 29/30	Year 13 FY 30/31	Year 14 FY 31/32	Year 15 FY 32/33	Year 16 FY 33/34	Year 17 FY 34/35
Available Property /Possessory Interest Tax Increment Revenue to IRFD											
General Fund	100%	$1,867,000	$2,748,400	$2,803,300	$2,859,400	$2,916,600	$2,974,900	$3,034,400	$3,095,100	$3,157,000	$3,220,100
Annual Total		**$1,867,000**	**$2,748,400**	**$2,803,300**	**$2,859,400**	**$2,916,600**	**$2,974,900**	**$3,034,400**	**$3,095,100**	**$3,157,000**	**$3,220,100**
IRFD Sources of Funds											
Annual Tax Increment		$1,867,000	$2,748,400	$2,803,300	$2,859,400	$2,916,600	$2,974,900	$3,034,400	$3,095,100	$3,157,000	$3,220,100
Bond Proceeds		$7,009,342	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds		**$8,876,342**	**$2,748,400**	**$2,803,300**	**$2,859,400**	**$2,916,600**	**$2,974,900**	**$3,034,400**	**$3,095,100**	**$3,157,000**	**$3,220,100**
IRFD Uses of Funds											
Bond Debt Service		$1,407,983	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245
Affordable Housing		$7,468,359	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Fund [1]		$0	$691,155	$746,055	$802,155	$859,355	$917,655	$977,155	$1,037,855	$1,099,755	$1,162,855
Total Uses of Funds		**$8,876,342**	**$2,748,400**	**$2,803,300**	**$2,859,400**	**$2,916,600**	**$2,974,900**	**$3,034,400**	**$3,095,100**	**$3,157,000**	**$3,220,100**
Net IRFD Fund Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Notes
[1] Excess tax increment is allocated to the General Fund.

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Table 1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

		Year 18 FY 35/36	Year 19 FY 36/37	Year 20 FY 37/38	Year 21 FY 38/39	Year 22 FY 39/40	Year 23 FY 40/41	Year 24 FY 41/42	Year 25 FY 42/43	Year 26 FY 43/44	Year 27 FY 44/45
Available Property /Possessory Interest Tax Increment Revenue to IRFD											
General Fund	100%	$3,284,600	$3,350,200	$3,417,200	$3,485,600	$3,555,300	$3,626,400	$3,698,900	$3,772,900	$3,848,400	$3,925,300
Annual Total		**$3,284,600**	**$3,350,200**	**$3,417,200**	**$3,485,600**	**$3,555,300**	**$3,626,400**	**$3,698,900**	**$3,772,900**	**$3,848,400**	**$3,925,300**
IRFD Sources of Funds											
Annual Tax Increment		$3,284,600	$3,350,200	$3,417,200	$3,485,600	$3,555,300	$3,626,400	$3,698,900	$3,772,900	$3,848,400	$3,925,300
Bond Proceeds		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds		**$3,284,600**	**$3,350,200**	**$3,417,200**	**$3,485,600**	**$3,555,300**	**$3,626,400**	**$3,698,900**	**$3,772,900**	**$3,848,400**	**$3,925,300**
IRFD Uses of Funds											
Bond Debt Service		$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245
Affordable Housing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Fund [1]		$1,227,355	$1,292,955	$1,359,955	$1,428,355	$1,498,055	$1,569,155	$1,641,655	$1,715,655	$1,791,155	$1,868,055
Total Uses of Funds		**$3,284,600**	**$3,350,200**	**$3,417,200**	**$3,485,600**	**$3,555,300**	**$3,626,400**	**$3,698,900**	**$3,772,900**	**$3,848,400**	**$3,925,300**
Net IRFD Fund Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Notes
[1] Excess tax increment is allocated to the General Fund.

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Table 1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

		Year 28 FY 45/46	Year 29 FY 46/47	Year 30 FY 47/48	Year 31 FY 48/49	Year 32 FY 49/50	Year 33 FY 50/51	Year 34 FY 51/52	Year 35 FY 52/53	Year 36 FY 53/54	Year 37 FY 54/55
Available Property /Possessory Interest Tax Increment Revenue to IRFD											
General Fund	100%	$4,003,800	$4,083,900	$4,165,600	$4,248,900	$4,333,900	$4,420,600	$4,509,000	$4,599,200	$4,691,100	$4,785,000
Annual Total		**$4,003,800**	**$4,083,900**	**$4,165,600**	**$4,248,900**	**$4,333,900**	**$4,420,600**	**$4,509,000**	**$4,599,200**	**$4,691,100**	**$4,785,000**
IRFD Sources of Funds											
Annual Tax Increment		$4,003,800	$4,083,900	$4,165,600	$4,248,900	$4,333,900	$4,420,600	$4,509,000	$4,599,200	$4,691,100	$4,785,000
Bond Proceeds		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds		**$4,003,800**	**$4,083,900**	**$4,165,600**	**$4,248,900**	**$4,333,900**	**$4,420,600**	**$4,509,000**	**$4,599,200**	**$4,691,100**	**$4,785,000**
IRFD Uses of Funds											
Bond Debt Service		$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$2,057,245	$649,262
Affordable Housing		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Fund [1]		$1,946,555	$2,026,655	$2,108,355	$2,191,655	$2,276,655	$2,363,355	$2,451,755	$2,541,955	$2,633,855	$4,135,738
Total Uses of Funds		**$4,003,800**	**$4,083,900**	**$4,165,600**	**$4,248,900**	**$4,333,900**	**$4,420,600**	**$4,509,000**	**$4,599,200**	**$4,691,100**	**$4,785,000**
Net IRFD Fund Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Notes
[1] Excess tax increment is allocated to the General Fund.

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Table 1
Sources and Uses of Funds
Infrastructure Financing Plan
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

		Year 38 FY 55/56	Year 39 FY 56/57	Year 40 FY 57/58	Year 41 FY 58/59	Year 42 FY 59/60	Year 43 FY 60/61	Year 44 FY 61/62	Year 45 FY 62/63	Year 46 FY 63/64
Available Property /Possessory Interest Tax Increment Revenue to IRFD										
General Fund	100%	$4,880,700	$4,978,300	$5,077,800	$5,179,400	$5,283,000	$5,388,700	$5,496,400	$5,606,400	$5,718,500
Annual Total		**$4,880,700**	**$4,978,300**	**$5,077,800**	**$5,179,400**	**$5,283,000**	**$5,388,700**	**$5,496,400**	**$5,606,400**	**$5,718,500**
IRFD Sources of Funds										
Annual Tax Increment		$4,880,700	$4,978,300	$5,077,800	$5,179,400	$5,283,000	$5,388,700	$5,496,400	$5,606,400	$5,718,500
Bond Proceeds		$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds		**$4,880,700**	**$4,978,300**	**$5,077,800**	**$5,179,400**	**$5,283,000**	**$5,388,700**	**$5,496,400**	**$5,606,400**	**$5,718,500**
IRFD Uses of Funds										
Bond Debt Service		$649,262	$0	$0	$0	$0	$0	$0	$0	$0
Affordable Housing		$0	$0	$0	$0	$0	$0	$0	$0	$0
General Fund [1]		$4,231,438	$4,978,300	$5,077,800	$5,179,400	$5,283,000	$5,388,700	$5,496,400	$5,606,400	$5,718,500
Total Uses of Funds		**$4,880,700**	**$4,978,300**	**$5,077,800**	**$5,179,400**	**$5,283,000**	**$5,388,700**	**$5,496,400**	**$5,606,400**	**$5,718,500**
Net IRFD Fund Balance		$0	$0	$0	$0	$0	$0	$0	$0	$0

Notes
[1] Excess tax increment is allocated to the General Fund.

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Table 2
Assessed Value and Property Tax Projection
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

Property Tax Projection		NPV	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34
Incremental AV on Tax Roll ($1,000s)			$283,388	$289,054	$425,515	$434,015	$442,700	$451,556	$460,582	$469,794	$479,192	$488,775
Property Tax Increment at 1%	1.0%	$108,638,914	$2,833,875	$2,890,540	$4,255,148	$4,340,146	$4,427,001	$4,515,560	$4,605,821	$4,697,941	$4,791,918	$4,887,754
Property Tax Distributed to IRFD												
General Fund	64.59%	$70,169,875	$1,830,400	$1,867,000	$2,748,400	$2,803,300	$2,859,400	$2,916,600	$2,974,900	$3,034,400	$3,095,100	$3,157,000
Total	64.59%	$70,169,875	$1,830,400	$1,867,000	$2,748,400	$2,803,300	$2,859,400	$2,916,600	$2,974,900	$3,034,400	$3,095,100	$3,157,000

1783

Table 2
Assessed Value and Property Tax Projection
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

Property Tax Projection		NPV	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY 39/40	FY 40/41	FY 41/42	FY 42/43	FY 43/44
Incremental AV on Tax Roll ($1,000s)			$498,545	$508,531	$518,687	$529,060	$539,650	$550,441	$561,449	$572,674	$584,131	$595,820
Property Tax Increment at 1%	1.0%	$108,638,914	$4,985,447	$5,085,307	$5,186,871	$5,290,602	$5,396,501	$5,504,412	$5,614,491	$5,726,738	$5,841,307	$5,958,198
Property Tax Distributed to IRFD												
General Fund	64.59%	$70,169,875	$3,220,100	$3,284,600	$3,350,200	$3,417,200	$3,485,600	$3,555,300	$3,626,400	$3,698,900	$3,772,900	$3,848,400
Total	64.59%	$70,169,875	$3,220,100	$3,284,600	$3,350,200	$3,417,200	$3,485,600	$3,555,300	$3,626,400	$3,698,900	$3,772,900	$3,848,400

1784

Table 2
Assessed Value and Property Tax Projection
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

Property Tax Projection		NPV	FY 44/45	FY 45/46	FY 46/47	FY 47/48	FY 48/49	FY 49/50	FY 50/51	FY 51/52	FY 52/53	FY 53/54
Incremental AV on Tax Roll ($1,000s)			$607,726	$619,879	$632,281	$644,930	$657,826	$670,986	$684,409	$698,096	$712,061	$726,289
Property Tax Increment at 1%	1.0%	$108,638,914	$6,077,257	$6,198,792	$6,322,805	$6,449,296	$6,578,263	$6,709,862	$6,844,094	$6,980,957	$7,120,607	$7,262,889
Property Tax Distributed to IRFD												
General Fund	64.59%	$70,169,875	$3,925,300	$4,003,800	$4,083,900	$4,165,600	$4,248,900	$4,333,900	$4,420,600	$4,509,000	$4,599,200	$4,691,100
Total	64.59%	$70,169,875	$3,925,300	$4,003,800	$4,083,900	$4,165,600	$4,248,900	$4,333,900	$4,420,600	$4,509,000	$4,599,200	$4,691,100

1785

Table 2
Assessed Value and Property Tax Projection
Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)
Port of San Francisco

Property Tax Projection		NPV	FY 54/55	FY 55/56	FY 56/57	FY 57/58	FY 58/59	FY 59/60	FY 60/61	FY 61/62	FY 62/63	FY 63/64
Incremental AV on Tax Roll ($1,000s)			$740,827	$755,643	$770,754	$786,159	$801,889	$817,928	$834,293	$850,968	$867,998	$885,354
Property Tax Increment at 1%	1.0%	$108,638,914	$7,408,268	$7,556,433	$7,707,540	$7,861,588	$8,018,888	$8,179,285	$8,342,932	$8,509,676	$8,679,981	$8,853,538
Property Tax Distributed to IRFD												
General Fund	64.59%	$70,169,875	$4,785,000	$4,880,700	$4,978,300	$5,077,800	$5,179,400	$5,283,000	$5,388,700	$5,496,400	$5,606,400	$5,718,500
Total	64.59%	$70,169,875	$4,785,000	$4,880,700	$4,978,300	$5,077,800	$5,179,400	$5,283,000	$5,388,700	$5,496,400	$5,606,400	$5,718,500

1786

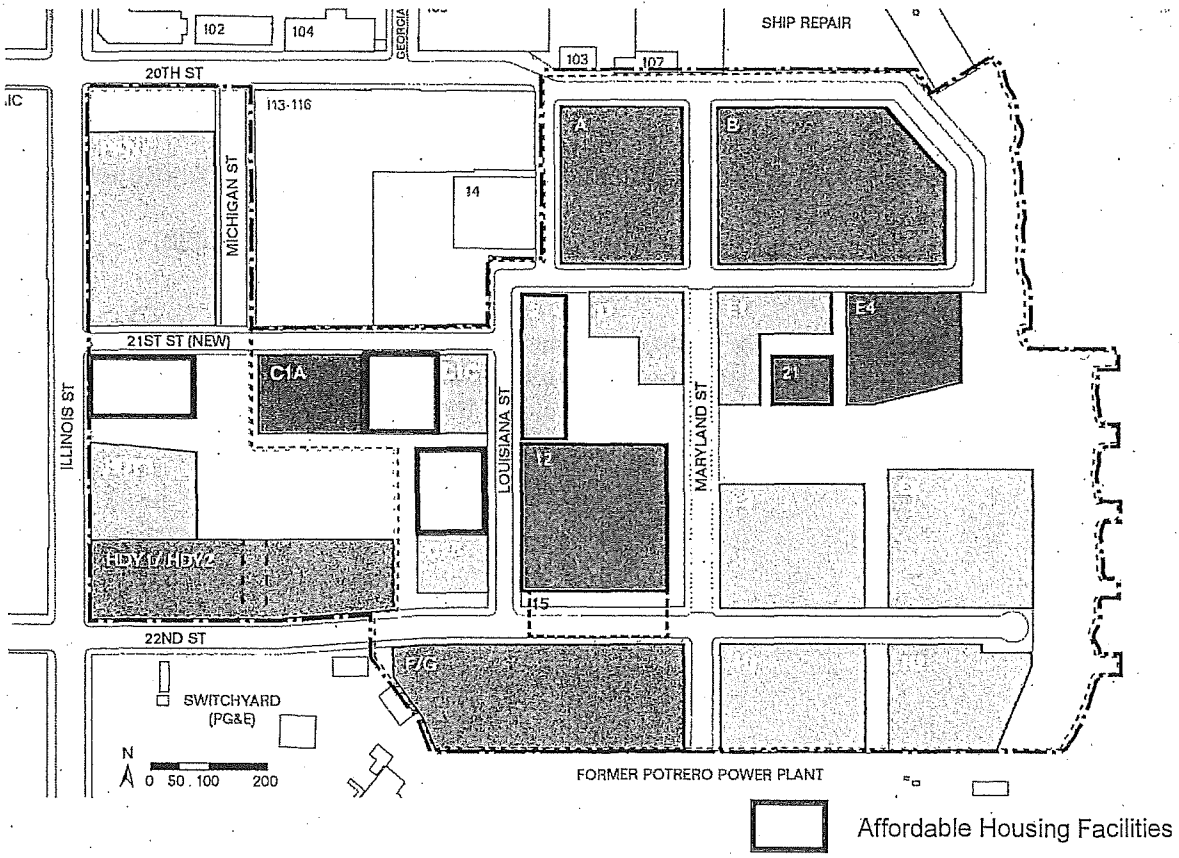
Attachment 1:

Facilities Map and Description

Facilities Map

Under the Disposition and Development Agreement between the City and County of San Francisco and FC Pier 70, LLC ("**Developer**"), the Developer must deliver three completed affordable housing parcels suitable to accommodate new residential buildings, and supporting infrastructure and amenities, that will accommodate not less than 321 below-market-rate ("**BMR**") residential units. The Developer has preliminarily selected, and the Port and the Mayor's Office of Housing and Community Development ("MOHCD") have approved Parcel C1B, Parcel C2A, and Parcel K South as the affordable housing parcels. If the Port and MOHCD subsequently approve other parcels as the affordable housing parcels, then Attachment 1 shall be deemed to have been amended to reflect such alternative parcels.

Pier 70 Parcelization Plan



Description of Facilities

Parcel C2A:

- New residential building with supporting infrastructure and amenities designed to accommodate 105 BMR residential units and to support typical affordable housing unit

sizes, an appropriate mix of bedrooms, and requirements for additional supportive space at the ground floor.
- Projected Affordability Level: Units will be affordable to households at 60% of area median income or below
- Delivery Term: Phase I of Pier 70 mixed-use project (estimated 2018-2019)
- Estimated Cost: $32-$33 million (in 2017 $)

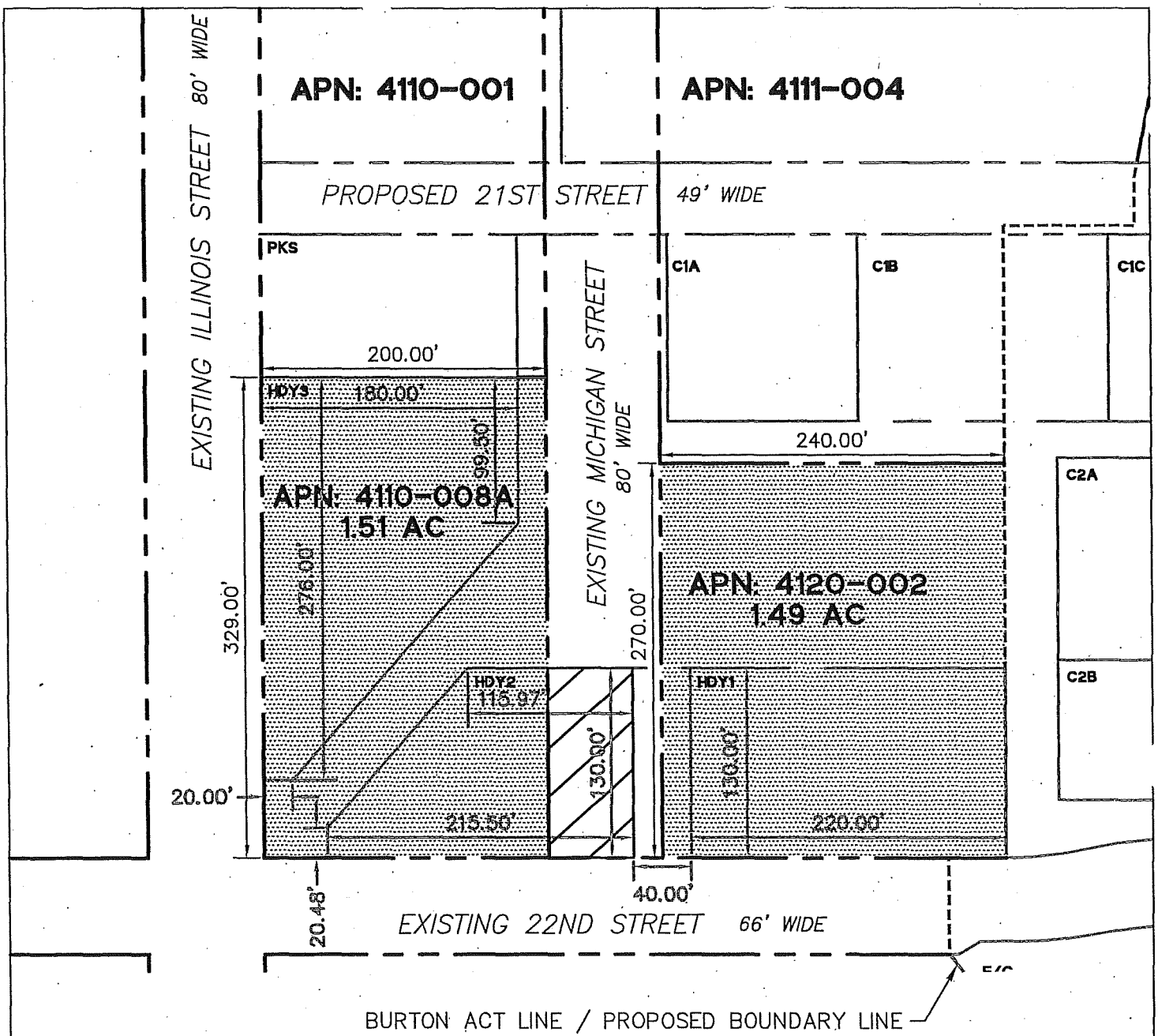
Parcel K South (PKS):
- New residential building with supporting infrastructure and amenities designed to accommodate 80 BMR residential units and to support typical affordable housing unit sizes, an appropriate mix of bedrooms, and requirements for additional supportive space at the ground floor.
- Projected Affordability Level: Units will be affordable to households at 60% of area median income or below
- Delivery Term: Phase II of Pier 70 mixed-use project (estimated 2022-2024)
- Estimated Cost: $25 million (in 2017 $)

Parcel C1B:
- New residential building with supporting infrastructure and amenities designed to accommodate 138 BMR residential units and to support typical affordable housing unit sizes, an appropriate mix of bedrooms, and requirements for additional supportive space at the ground floor.
- Projected Affordability Level: Units will be affordable to households at 60% of area median income or below
- Delivery Term: Phase III of Pier 70 mixed-use project (estimated 2026-2028)
- Estimated Cost: $43 million (in 2017 $)

The timing, affordability levels, costs, and unit counts described are preliminary and may change; no amendment of this IFP shall be required to reflect any such changes as long as the Facilities meet the requirements of Section 53369.3(c) of the IRFD Law.

Attachment 2:

Infrastructure and Revitalization Financing District Boundary Map and Legal Description
(See Attached)



LEGEND:

- BURTON ACT LINE
- EXISTING BOUNDARY LINE
- PROPOSED BOUNDARY LINE
- FUTURE ANNEXATION PROPERTY

N

0 100

APPROVED BY
SAN FRANCISCO PORT COMMISSION

DATE _____

_____
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION

PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 2 (HOEDOWN YARD)

PREPARED BY	TRM	PREPARED BY	BPB
CHECKED BY	RKB	DATE	9/1/2017
CONTRACT NO.	20170209	SCALE	1"=100'
DRAWING NO.	IRFD-1	SHEET NO.	1 OF 1

LEGAL DESCRIPTION
FOR
CITY AND COUNTY OF SAN FRANCISCO, INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 2 (HOEDOWN YARD)

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL THOSE PARCELS OF LAND AS SHOWN ON THAT CERTAIN MAP ENTITLED, "RECORD OF SURVEY NO. 6938, OF THE LANDS DESCRIBED IN DEEDS 819 O.R. 494, 820 O.R. 473, 1174 O.R. 371, 1205 O.R. 140 AND B458 O.R. 150, CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA", RECORDED FEBRUARY 27, 2012 IN BOOK DD OF MAPS, PAGES 198 AND 199, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PG&E PARCEL- APN: 4110-008A

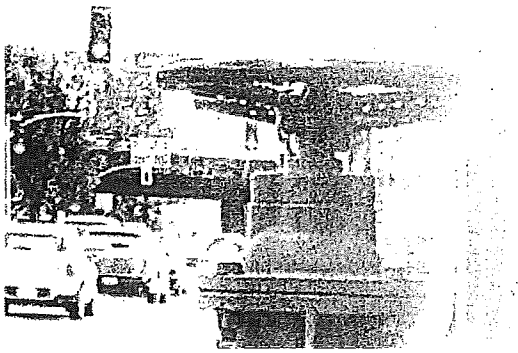
BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF ILLINOIS STREET (80 FEET WIDE), AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE NORTHERLY ALONG SAID LINE OF ILLINOIS STREET, 329.00 FEET; THENCE AT A RIGHT ANGLE EASTERLY 200.00 FEET TO THE WESTERLY LINE OF MICHIGAN STREET (80 FEET WIDE); THENCE AT A RIGHT ANGLE SOUTHERLY ALONG SAID LINE OF MICHIGAN STREET 329.00 FEET TO SAID NORTHERLY LINE OF 22ND STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID LINE OF 22ND STREET, 200.00 FEET TO SAID EASTERLY LINE OF ILLINOIS STREET AND SAID POINT OF BEGINNING, CONTAINING 65,800 SQUARE FEET, MORE OR LESS.

PG&E PARCEL- APN: 4120-002

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF MICHIGAN STREET (80 FEET WIDE), AND THE NORTHERLY LINE OF 22ND STREET (66 FEET WIDE); THENCE NORTHERLY ALONG SAID LINE OF MICHIGAN STREET, 270.00 FEET; THENCE AT A RIGHT ANGLE EASTERLY 240.00 FEET TO CENTER LINE OF FORMER GEORGIA STREET (80 FEET WIDE), CLOSED PER RESOLUTION NOS. 1376 AND 10787; THENCE AT A RIGHT ANGLE SOUTHERLY, 270.00 FEET TO SAID NORTHERLY LINE OF 22ND STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID LINE OF 22ND STREET, 240.00 FEET TO SAID EASTERLY LINE OF MICHIGAN STREET AND SAID POINT OF BEGINNING, CONTAINING 64,800 SQUARE FEET, MORE OR LESS.

Attachment 3:

Fiscal and Economic Impact Analysis Update – Pier 70 Mixed Use Development Project
(See Attached)



Berkson Associates

Urban Economics
Policy Forensics & Forecasting
Planning & Policy Analysis

REPORT

FISCAL AND ECONOMIC ANALYSIS UPDATE

PIER 70 MIXED-USE DEVELOPMENT PROJECT

Prepared for the Port of San Francisco

Prepared by Berkson Associates

August 31, 2017

richard@berksonassociates.com | 510.612.6906 | www.berksonassociates.com

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EXECUTIVE SUMMARY

This report updates a 2013 evaluation of the fiscal feasibility of proposed development at Pier 70. The Project consists of three areas evaluated in this report: 1) the Pier 70 28-Acre Waterfront Site (the "Waterfront Site"); 2) the Port-owned property at 20th Street and Illinois Street (20th/Illinois); and 3) the PG&E-owned parcel further south known as the Hoedown Yard. The entire Project area encompasses the 69-acre Pier 70 Special Use District ("SUD").

The Project's Finance Plan includes the creation of two Mello-Roos financing districts, the designation of additional sub-project areas to an existing Infrastructure Financing District ("IFD") that includes the Waterfront Site and 20th/Illinois parcels; and an Infrastructure Revitalization Financing District (IRFD) covering the Hoedown Yard. The districts will utilize portions of Project-generated property tax to fund Project infrastructure and affordable housing. To establish an IFD and IRFD, Port policies require the preparation of analysis to demonstrate that "the project area will result in a net economic benefit to the City."[1] This update reports the number of jobs and direct and indirect financial benefits to the City, construction costs, available funding to pay project costs, ongoing operating and maintenance costs and public revenues, and debt service. The estimates are based on one possible development scenario; actual results will depend on future market conditions and the timing, mix and value of new development and the costs for infrastructure and facilities.

The Port of San Francisco ("Port") owns the Waterfront Site, which it plans to develop in partnership with FC Pier 70, LLC ("Forest City"). The Port also owns the 20th/Illinois property; a portion of the property will be sold to raise funds to fund the Project's infrastructure and other development costs. A description of the Project is provided in **Chapter 1** of this report, and **Chapters 2** and **4** describe financing. **Chapter 3** provides estimates of fiscal and economic benefits.

All dollar amounts are expressed in terms of 2017 purchasing power, unless otherwise noted. Certain values derived from the Finance Plan have been updated to 2017. Information and assumptions are based on data available as of August, 2017. Actual numbers may change depending on Project implementation and future economic and fiscal conditions.

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[1] Guidelines for the Establishment and Use of an Infrastructure Financing District with Project Areas on Land under the Jurisdiction of the San Francisco Port Commission (Adopted April 23, 2013 by Resolution No. 123-13; File No. 130264)

FISCAL BENEFITS

The Pier 70 Waterfront Site, 20th/Illinois Street parcel and the Hoedown Yard will create approximately $8.3 million in new, annual ongoing general tax revenues to the City net of tax increment, after deducting direct service costs, as described in **Chapter 3**. Additional one-time revenues, including construction-related sales tax and gross receipts tax, total $7.5 million. A portion of Project-generated property taxes will help to pay for Project infrastructure and facilities. Special taxes paid by the Project will help fund public services.

Development impact fees to fund infrastructure improvements Citywide and to serve the Project total an estimated $184.1 million. Certain development fees, including Jobs Housing Linkage fees and Affordable Housing In-lieu fees, will help to fund affordable housing at the Project.

The new general revenues will fund direct services needed by the Project, including police and fire/EMS services. Other services, including maintenance and security of parks, open space, road maintenance, and transit shuttle services will be funded directly by tenants of new Project vertical development. The estimated $8.3 million in net City general revenues, after deducting service costs and Charter-mandated baseline allocations of general revenues, will be available to the City to fund improved or expanded Citywide infrastructure and services. **Chapter 3** further describes fiscal revenue and expenditures estimates.

ECONOMIC BENEFITS

The Project will provide a range of direct and indirect economic benefits to the City and the Port. These benefits include a range of economic benefits such as new jobs, economic activity, and increased public and private expenditures as described in **Chapter 5** and summarized below:

- 6,100 new jobs, plus another 5,300 additional indirect and induced jobs, for a total of 11,400 jobs in San Francisco resulting from new businesses and employees.
- $2.1 billion of construction activity over a period of 15 to 20 years (including infrastructure and building development), resulting in 16,800 direct, indirect and induced construction-related job-years during construction.
- Over 2,000 new residential units, plus sites for an additional 322 affordable units in 100 percent affordable developments. This housing is critical to economic growth in San Francisco and the region.

The Project provides space for Arts and Light Industrial uses that can help to retain cultural activities in the City, and encourage innovation and growth of new small businesses in the crafts and arts trades, as well as high-tech industries.

DIRECT FINANCIAL BENEFITS TO THE PORT

The Port of San Francisco, as property owner, will participate in and benefit financially from development and ongoing leasing activities at the Project. Direct benefits totaling an estimated $178 million in net present value (NPV, 2017 $$) are described in **Chapter 5** and include participation in financial returns, tax increment and special taxes generated by new development.

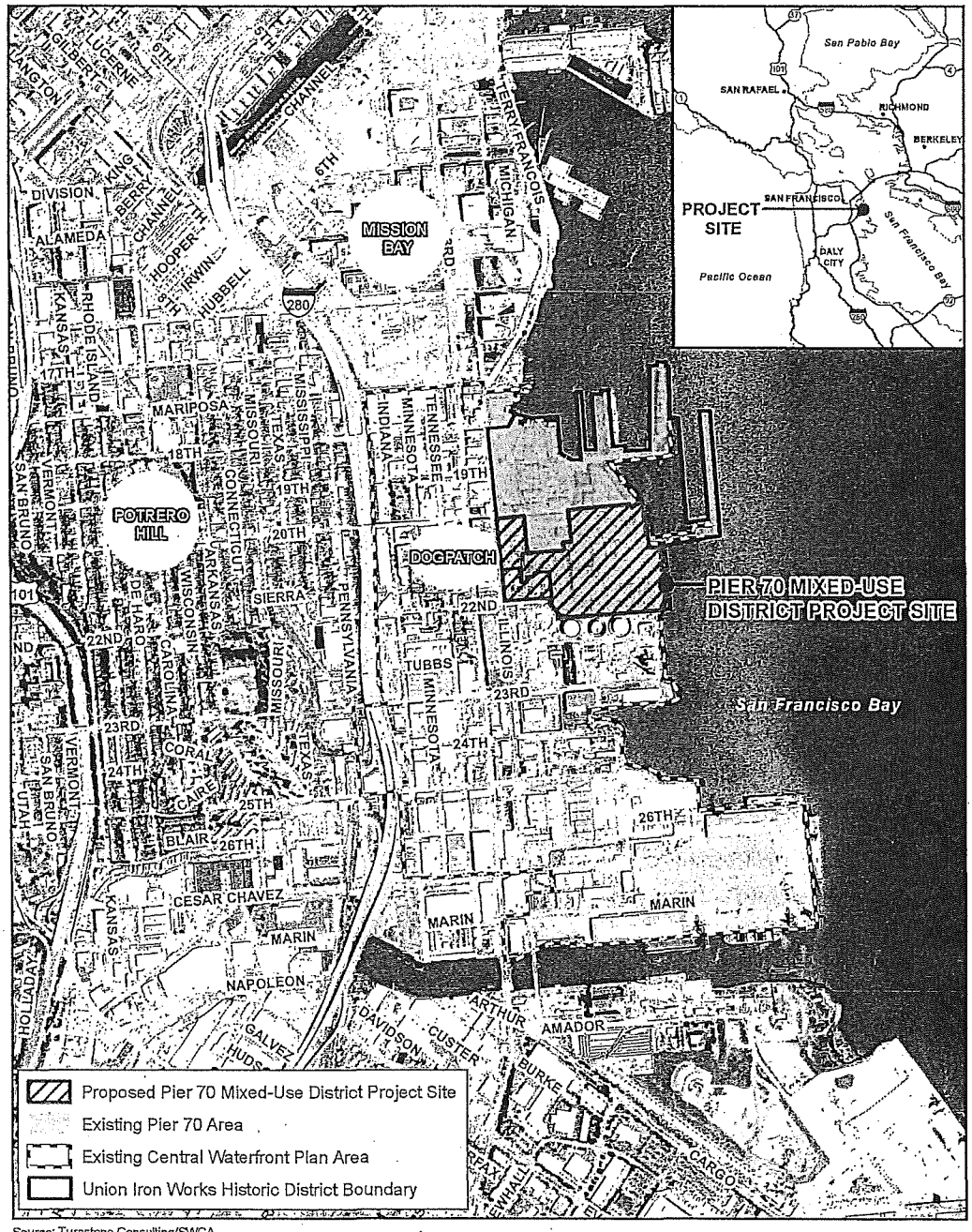
NEW PUBLIC ACCESS FACILITIES

The Project will provide a range of public parks, public access and open space, and a network of landscaped pedestrian connections and bicycle networks. These facilities will benefit San Francisco residents, and provide amenities to encourage retention and attraction of businesses, employees, and residents.

OTHER PUBLIC BENEFITS

Development of the Project represents an opportunity to complete an important component of the revitalization of the San Francisco waterfront, bringing a vital mix of uses that will support business, residential, retail, and recreational activities to an area now characterized by vacant and underutilized land and intermittent buildings. The Project will result in the rehabilitation of historic buildings, to be maintained by the building owners/tenants. The redevelopment of the Project will generate benefits for the City and community in the form of urban revitalization, employment and living opportunities, preservation of historic maritime facilities and structures, improved public waterfront access, delivery of affordable housing, improvements to Port property including sea level rise protections, new outdoor recreation opportunities, and City-wide fiscal and economic benefits as described in other sections of this report.

Figure 1 Project Area



Source: Turnstone Consulting/SWCA

1. THE PROJECT & COSTS OF CONSTRUCTION

The Project will be constructed over a period of 10 to 15 years (including infrastructure and building development), depending on future economic conditions and market demand. The Project and its development costs total an estimated $2.1 billion, as described below. The Developer will be responsible for development of the Project; **Chapter 2** further describes sources of development funding.

PROJECT DESCRIPTION

The Project proposes a mixed-use development, with the ability for certain parcels to be constructed as either residential or commercial uses. For purposes of this analysis, a "midpoint" scenario is analyzed, which assumes a roughly equivalent distribution of residential and commercial uses. Taken together, the Pier 70 28-Acre Site and the 20th/Illinois Street Parcels are in the Pier 70 Special Use District (SUD) and comprise the Pier 70 Infrastructure Financing District (IFD). The Pier 70 SUD also includes the PG&E "Hoedown Yard", which constitutes a separate Infrastructure Revitalization Financing District (IRFD).

The scenario evaluated in the fiscal and economic analysis includes the following uses for the total Project:

Office –For the purpose of analysis, this report assumes construction of 1.4 million gross square feet of office.

Retail, Arts and Light Industrial – For the purpose of analysis, this report assumes that 281,800 gross square feet of Retail, Arts and Light Industrial uses are constructed within the SUD. The uses are divided between traditional retail, and arts, culture and light industrial uses.

The traditional retail space includes restaurants and cafes, businesses and financial services, convenience items, and personal services.

The Arts and Light Industrial space will be oriented towards small-scale local production, arts and cultural uses, small business incubator uses, and other publically accessible and activating uses. The space will provide low-cost facilities to help grow local manufacturing and light industrial businesses and encourage collaboration and networking through shared facilities. These uses will provide economic vitality and create unique local character that will attract residents and office tenants to the Waterfront Site.

Residential – This fiscal and economic analysis assumes a scenario consisting of 2,042 total Project units in the SUD. Additional sites will be dedicated to affordable housing and accommodate 322 additional affordable units.

Affordable Housing– The Pier 70 Waterfront Site will provide 20% of rental units as inclusionary affordable units, producing about 177 affordable units. As noted above, additional sites will be dedicated to affordable housing and accommodate an additional 322 affordable units.

All condominiums, including those on the Illinois Street parcels, are assumed to pay in-lieu fees representing 28% of total condo units. These fees will help fund onsite affordable housing.

Parking – The number of parking spaces will be depend on the actual mix of uses constructed. The fiscal and economic analysis assumes approximately 1,900 parking spaces.

CONSTRUCTION COSTS AND ASSESSED VALUE

Table 1 summarizes development costs totaling approximately $2.1 billion,[2] which will occur over 15 to 20 years of buildout (infrastructure and buildings) depending on future market conditions. These values provide the basis for estimates of various revenues and economic impacts.

Table 1 Summary of Construction Costs and Assessed Value (2017 $$)

Item	Development Cost	Assessed Value
Pier 70 28-acre Waterfront Site		
Infrastructure	$260,535,000	*inc. in bldg.value*
Arts, Light Industrial (1)	$29,647,000	$14,391,000
Office (1)	$636,626,000	$728,073,000
Residential	$768,753,000	$990,362,000
Total	**$1,695,561,000**	**$1,732,826,000**
20th/Illinois		
Infrastructure	*see Pier 70 costs*	*inc. in bldg.value*
Residential	$159,730,000	$225,345,000
Total	**$159,730,000**	**$225,345,000**
Hoedown Yard		
Infrastructure	*see Pier 70 costs*	*inc. in bldg.value*
Residential	$220,548,000	$311,146,000
Total	**$220,548,000**	**$311,146,000**
TOTAL	**$2,075,839,000**	**$2,269,317,000**

(1) Mixed use retail is included in the values for other uses.
Office buildings include additional Arts, Light Industrial uses and value.

Sources: Forest City; Port of San Francisco; Berkson Associates *8/31/17*

[2] Hard and soft development costs; land value included in assessed value.

2. AVAILABLE FUNDING FOR THE PROJECT

As described in the prior chapter, development costs are anticipated to total $2.1 billion over the course of Project buildout. Several financing mechanisms and funding sources will assure development of the Project as summarized in this section.

HORIZONTAL DEVELOPMENT OF WATERFRONT SITE & SPECIAL USE DISTRICT

Under the Development and Disposition Agreement ("DDA"), Forest City will be responsible for horizontal development of the Waterfront Site, consisting of construction of infrastructure and other public facilities and site preparation for vertical development. The Port will reimburse Forest City for these infrastructure, public facility, and site preparation costs, including design and planning expenditures related to these improvements. Vertical construction of buildings will be the responsibility of the Developer.

Project-based sources of funding and/or reimbursement include the following:

- **Prepaid ground rent** that vertical developers pay to Forest City for improved and entitled land;
- **Net sales proceeds of the Port's public offering of a portion of the 20th/Illinois Street** parcels adjacent to the Waterfront Site;
- **Mello-Roos Community Facilities District (CFD)** bond proceeds secured by CFD special taxes and tax increment – CFD bonds are expected to be the primary public financing mechanism for the funding of infrastructure costs.
- **CFD special taxes** not required for debt service may be used to fund Horizontal Development Costs on a "pay-as-you-go" basis. Special taxes could also fund a reserve for unanticipated increases in horizontal development costs or to fund planning and studies to develop plans for Shoreline Protection Facilities.
- **Infrastructure Financing District (IFD)** – The Board of Supervisors has previously formed a Port-wide IFD and a sub-project area over the Historic Core leasehold. The IFD would be authorized to pledge tax increment from the sub-project area to secure bonds issued by the CFD and to issue bonds secured by tax increment from the sub-project area for the purpose of infrastructure and public facilities construction. Tax increment includes the local and State portions of the tax increment from taxable parcels in the Waterfront

Site. Tax increment from the sub-project area not required for debt service may be used to fund horizontal development Costs on a "pay-as-you-go" basis.

- **Infrastructure Revitalization Financing District (IRFD)** -- The IRFD will allow the capture of property tax increment for affordable housing and to reimburse the Developer for eligible public infrastructure expenses. The tax increment only includes the local share of property taxes. Under the IRFD, the district will collect pay-go taxes up until the final bond is issued, and tax increment necessary to service bond debt, debt service coverage and bond reserves. Subsequently, any tax increment in excess of amounts required to service debt and fulfill requirements of bond covenants will flow to the General Fund.
- **Condominium Facility Tax** -- This is a CFD special tax that will be assessed on condominium units to initially provide an additional source of funding to pay for infrastructure and later available to the City to fund shoreline protection facilities.
- **Shoreline Tax** – A CFD special tax that will be assessed on all leased properties to fund shoreline improvements by the Port.

In addition to the CFD funding for infrastructure and public facilities, as noted in the **Chapter 3** fiscal analysis, CFD special taxes will be paid by new vertical development to fund a range of public services including parks and open space, street cleaning and street/sidewalk maintenance.

VERTICAL DEVELOPMENT OF WATERFRONT SITE & SPECIAL USE DISTRICT

Building developers will be responsible for all costs and funding of vertical construction of buildings.

One exception is Building E4. An arts special tax will be assessed to help the fund construction of the E4 building, which is designated for arts/innovation/maker uses. The building would not be financially feasible without the additional funding.

3. FISCAL ANALYSIS: FUNDING OF INFRASTRUCTURE MAINTENANCE & PUBLIC SERVICES

Development of the Project will create new public infrastructure, including streets, parks and open space that will require ongoing maintenance. As described below, service costs will be funded through special taxes paid by new development. Other required public services, including additional police, fire and emergency medical services (EMS), will be funded by increased General Fund revenues from new development supplemented by charges for services.

Table 2 summarizes total annual general revenues created by the Project Project, excluding tax increment allocated to the IFD and IRFD. After deducting service costs, $8.3 million is generated annually to the General Fund. Additional restricted revenues will be generated.

Table 2 Estimated Annual Net General Revenues and Expenditures (2017 $$)

Item	IFD			IRFD	SUD
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Annual Total	Hoedown Yard	Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	$1,729,000	$225,000	1,954,000	$310,000	2,264,000
Property Transfer Tax	2,231,000	$204,000	2,435,000	$0	2,435,000
Sales Tax	772,000	$96,000	868,000	$129,000	997,000
Parking Tax (City 20% share)	0	$0	0	$0	0
Gross Receipts Tax	7,007,000	$2,000	7,009,000	$44,000	7,053,000
Subtotal, General Revenue	**$11,739,000**	**$527,000**	**$12,266,000**	**$483,000**	**$12,749,000**
(less) 20% Charter Mandated Baseline	($2,347,800)	($105,400)	($2,453,200)	($96,600)	($2,549,800)
Net to General Fund	**$9,391,200**	**$421,600**	**$9,812,800**	**$386,400**	**$10,199,200**
Public Services Expenditures					
Parks and Open Space		*Funded by Project Assessments*			
Roads		*Funded by Project Assessments*			
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	(853,000)	(52,000)	(905,000)	(69,000)	(974,000)
Subtotal, Services	**($1,702,000)**	**($104,000)**	**($1,806,000)**	**($138,000)**	**($1,943,000)**
NET General Revenues	**$7,689,200**	**$317,600**	**$8,006,800**	**$248,400**	**$8,256,200**
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
Subtotal	**$772,000**	**$96,000**	**$868,000**	**$130,000**	**$998,000**
Possessory Interest/Property Taxes (1)	**$17,328,000**	**$2,253,000**	**$19,581,000**	**$3,111,000**	**$22,692,000**
TOTAL, Net General + Other Revenues	**$25,789,200**	**$2,666,600**	**$28,455,800**	**$3,489,400**	**$31,946,200**

(1) Until project infrastructure costs are fully paid, the full $0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The $0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

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Table 3 summarizes one-time fees and revenues. The impact fee revenue will be dedicated and legally required to fund infrastructure and facilities targeted by each respective fee. In the case of Transit Impact Development Fees, the revenue will offset facility costs (i.e., additional buses) directly attributable to Project. Jobs-Housing and Affordable Housing Fees paid by the Pier 70 development will fund affordable housing provided by the Project. Other impact fee revenues may be used Citywide to address needs created by new development.

Table 3 Estimated One-Time Fees and Revenues (2017 $$)

Item	IFD			IRFD	SUD
	Pier 70 28-acre Waterfront Site	20th/Illinois St.	IFD Total	Hoedown Yard	Total
Development Impact Fees (1)					
Jobs Housing Linkage - §413	$37,443,000	$157,000	37,600,000	$0	37,600,000
Affordable Housing-- §415 (1)	$44,206,000	$17,999,000	62,205,000	$24,852,000	87,057,000
Child Care (2)	$4,650,000	$477,000	5,127,000	$671,000	5,798,000
TSF - §411A and TIDF-§411.3 (3)	$40,530,000	$2,414,000	42,944,000	$3,207,000	46,151,000
Total Development Impact Fees	**$126,829,000**	**$21,047,000**	**$147,876,000**	**$28,730,000**	**$176,606,000**
Other One-Time Revenues					
Construction Sales Tax (1% Gen'l Fund)	$2,798,000	$264,000	3,062,000	$364,000	3,426,000
Gross Receipts Tax During Construction	$3,730,000	$351,000	4,081,000	$0	4,081,000
Total: Other One-Time Revenues	**$6,528,000**	**$615,000**	**$7,143,000**	**$364,000**	**$7,507,000**
Total One-Time Revenues	**$133,357,000**	**$21,662,000**	**$155,019,000**	**$29,094,000**	**$184,113,000**

(1) Impact fee rates as of Jan. 1, 2017.
(2) Childcare fees only apply to office and residential uses.
(3) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; assumes entire Project pays TSF. *8/31/17*

MAINTENANCE AND SERVICE COSTS

SERVICE COSTS DURING DEVELOPMENT

During development, the construction of new infrastructure will trigger a need for public services. **Table 4** estimates service costs by area during development, based on:

- No service costs will be incurred by the City prior to occupancy of buildings; the Developer will be responsible for facility maintenance prior to acceptance by the City.
- Parks and open space will be funded by assessments paid by building owners.
- Fire/EMS costs will be incurred prior to initial occupancy to provide ambulance services.
- Roads will require minor and major maintenance over time; these costs will be funded by special taxes paid by building owners.
- Police costs are phased as new development and occupancy occurs.

Actual costs will depend on the level of future service demands, and Citywide needs by City departments at the time of development and occupancy.

Table 4 Annual Service Costs During Development (2017 $$)

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IFD											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
IRFD											
Hoedown Yard											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

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Public Open Space

The Pier 70 SUD will include approximately 9 acres of public parks and open spaces.[3] All of the Waterfront Site's at-grade parks and open spaces will be owned by, and will remain under the jurisdiction of, the Port and subject to conditions of the BCDC major permit applicable to portions of the Waterfront Site.

Maintenance of the parks and open spaces will be funded by special taxes imposed on Vertical Developers by a maintenance CFD upon issuance of Certificates of Occupancy. Preliminary estimates of annual maintenance costs to be funded by the special taxes total approximately $2.9 million. The costs include administration, maintenance, and utility costs required for parks, open space and hardscape improvements, and roads.[4] The costs include long-term, "life-cycle" replacement of facilities, including major surface reconstruction of roads.

Police

The SFPD will respond to police needs and calls for service generated by the Project. The Project area is located within the Bayview District of San Francisco Police Department (SFPD). The Port currently contracts with the SFPD to provide two officers that respond to calls for service on Port property. It is assumed that this current level of service by the contracted officers will continue.

The draft EIR states that the addition of Project residents and employees would require an additional patrol unit, which typically consist of up to five officers on staggered shifts.[5] Police staffing increases are expected to occur over the next several years to meet the City Charter mandate for the number of sworn police officers; this increase will help to address needs created during development and at buildout of the Project.

Based on five officers at an average cost of $189,000 per officer, the additional annual cost at buildout would total approximately $968,700. This cost includes employee taxes and benefits, overtime and backfill during vacation, equipment, and the annual capitalized acquisition and maintenance cost of vehicles.[6]

Increased police costs will be offset by increases in General Fund revenues generated during Project development and at buildout.

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[3] Notice of Preparation, May 6, 2015, pg. 4

[4] Maintenance Cost Projections 7/21/17, correspondence from Port of SF, 8/30/17.

[5] DEIR, Section 4.L., Impact PS-1, Dec. 21, 2016.

[6] Email correspondence from Carolyn Welch, Budget Manager San Francisco Police Dept., to Sarah Dennis-Phillips, San Francisco Office of Economic and Workforce Development, Sept. 21, 2016.

Fire and EMS

The San Francisco Fire Department (SFFD) deploys services from the closest station with available resources, supplemented by additional resources based on the nature of the call. The Project Site is within the first response area for Fire Station No. 37 in Battalion 10 located in the Potrero Hill neighborhood, about 0.75 miles west of the project site. Other stations within Battalion that would respond include Stations 4, 9, 17, 25 and 42; additional stations would respond if needed. Ambulances are "dynamically" deployed around the City depending on forecasts of need at any given time.

According to the draft EIR, the addition of Project residents and employees would require an additional ambulance, under both a Maximum Residential and Maximum Commercial scenario.[7] Ambulances are staffed with an EMT and a paramedic who provide pre-hospital advanced medical and trauma care.[8] For coverage 24/7, a fully staffed ambulance would require a total of 3.5 EMTs and 3.5 paramedics, at a total cost of $1,248,300 including taxes and benefits, and including the annualized capital and maintenance cost for an ambulance.[9]

Increased fire service and EMS costs will be offset by increases in General Fund revenues generated during Project development and at buildout. Cost recovery from fees averages approximately 22%, which would provide $274,600 of offsetting revenues, resulting in a net cost of $973,700.

SFMTA

The Pier 70 SUD Transportation Plan provides a comprehensive transportation program to guide design, development, and eventual operation of transportation elements of the Project. The transportation plan presents goals, principles, and strategies to meet the travel demand needs of the site with an array of transportation options that meets the City's future mobility and sustainability goals.[10]

A shuttle service is a key component of the Project. The shuttle would connect the Pier 70 SUD to regional transit hubs, like the Transbay Transit Center and 16th Street / Mission Street BART station. The service would be operated and maintained by a Pier 70 Transportation

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[7] DEIR, Section 4.L., Impact PS-2, Dec. 21, 2016.

[8] DEIR, Section 4.L., pg. 4.L.7, Dec. 21, 2016.

[9] Email correspondence from Mark Corso, Finance Division San Francisco Fire Department, Oct. 11, 2016, to Rebecca Benassini, Port of San Francisco

[10] Pier 70 Transportation Plan Draft, 1/9/16.

Management Agency (TMA).[11] The TMA is likely to contract with a third-party shuttle operator. Fees collected from tenants of the Project would fund the shuttle service, which would be free to riders. Preliminary estimates indicate annual costs of approximately $700,000 annually for operation of seven vehicles, a transportation coordinator, marketing and other costs.[12]

No changes to Muni system routes are proposed as a part of the project. Muni capital needs and operations would be funded through a combination of local, State and Federal sources as well as from fee revenues. Specific service increases and related funding have not been determined at this point in time.

DPW

The Project will create new roadway connections, and improve existing streets. All streets will have sidewalks, streetscape and street trees. Signalization improvements will be required. Special taxes imposed on Vertical Developers by a maintenance CFD will fund maintenance of streetscape improvements, landscaping and road maintenance. The CFD services budget includes both ongoing maintenance of facilities as well as periodic "life cycle" costs for repair and replacement of facilities over time. [13]

Public Health

Depending on the outcome of ongoing debates regarding the Affordable Care Act, it is possible that current revenues to the Dept. of Public Health could be reduced. The new residents added by the Project could increase demands on public health facilities, including San Francisco General, and incur additional costs not estimated in the current analysis. Funding for these costs could be derived from the net surpluses generated by the Project.

PUBLIC REVENUES

New tax revenues from the Project will include both ongoing annual revenues and one-time revenues, as summarized in the prior tables. The revenues represent direct, incremental benefits of the Project. These tax revenues will be available to help fund public improvements and services both within the Project and Citywide. The following sections describe key assumptions and methodologies employed to estimate each revenue.

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[11] DEIR, pg. 4.E.44, Dec. 21, 2016.

[12] R.Berkson correspondence with Kelly Pretzer, Forest City, 10/18/16.

[13] Maintenance Cost Projections 7/21/17, correspondence from Port of SF, 8/30/17.

Charter Mandated Baseline Requirements

The City Charter requires that a certain share of various General Fund revenues be allocated to specific programs. An estimated 20 percent of revenue is shown deducted from General Fund discretionary revenues generated by the Project (in addition to the share of parking revenues dedicated to MTA, shown separately).[14] While these baseline amounts are shown as a deduction, they represent an increase in revenue as a result of the Project to various City programs whose costs aren't necessarily directly affected by the Project, resulting in a benefit to these services.

Possessory Interest and Property Taxes

Possessory interest tax or property tax at a rate of 1 percent of value will be collected from the land and improvements associated with the Project.[15] The development on parcels transferred in fee will be charged property taxes, while the development on parcels under ground lease will be charged a "possessory interest tax" in an amount equivalent to property tax. Parcels on the Waterfront Site may be sold for residential condominium development. The 20th/Illinois Street Parcel is assumed sold for condominium development.

The City receives up to $0.65 of every property or possessory interest tax dollar collected. The State's Education Revenue Augmentation Fund (ERAF) receives $0.25 of every property or possessory interest tax dollar collected, although the State of California has authorized the capture of this tax increment through an IFD for purposes of furthering state interests at Pier 70, pursuant to AB 1199.[16] The DDA proposes to use IFD tax increment revenues, including the ERAF share of tax increment, to fund predevelopment, horizontal development (site preparation, infrastructure, and site-wide amenities), and the development of parks and open space at the Waterfront Site. The IRFD on the Hoedown Yard will retain only the $0.65 portion.

The remaining $0.10 of every property or possessory interest tax dollar collected, beyond the City's $0.65 share and the $0.25 State ERAF share, is distributed directly to other local taxing entities, including the San Francisco Unified School District, City College of San Francisco, the Bay Area Rapid Transit District and the San Francisco Bay Area Air Quality Management District. These distributions will continue and will increase as a result of the Project.

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[14] Jamie Querubin, San Francisco Controllers Office, correspondence with consultant, August 25, 2017.

[15] Ad valorem property taxes supporting general obligation bond debt in excess of this 1 percent amount are excluded for purposes of this analysis. Such taxes require separate voter approval and proceeds are payable only for uses approved by the voters.

[16] Assembly member Ammiano, Chapter 664 of the statutes of 2010.

The DDA will provide that an 8 percent share of IFD taxes, not otherwise required for debt services or other Project costs, may be utilized for Port capital improvements elsewhere within Pier 70.

For the Waterfront Site and the 20th/Illinois Street Parcel, land (and the possessory interest in the land), buildings, and other improvements will be assessed and taxed. In the event of the sale of a parcel, the land will be assessed at the new transaction price; following development of buildings (and their sale, if applicable) the property will be re-assessed. The County Assessor will determine the assessed values; the estimates shown in this analysis are preliminary and may increase depending on future economic conditions and the type, amount and future value of development

The assessed value is assumed to grow at a 2 percent annual rate (or at CPI, whichever is less) as permitted by State law, unless a transaction occurs which would reset the assessed value to the transaction price, or unless depreciation or adverse economic conditions negatively affect assessed value. The analysis assumes that the overall growth in value, including increased assessed value due to resales, will keep pace with inflation.

It is likely that taxes will also accrue during construction of infrastructure and individual buildings, depending on the timing and method of assessment and tax levy.

Property Tax In-Lieu of Vehicle License Fees

The State budget converts a significant portion of former Motor Vehicle License Fee (VLF) subventions, previously distributed by the State using a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth within each jurisdiction. These revenues to the City are projected to increase proportionately to the increase in the assessed value added by new development.

Sales Taxes

The City General Fund receives 1 percent of taxable sales. Sales taxes will be generated from several Project-related sources:

- Sales at new retail and restaurant uses
- Taxable sales by other businesses, including those in the Arts and Industrial space. Sales tax can also be generated by sales of businesses in the office space, but this has not been estimated
- Taxable expenditures by new residents and commercial tenants at the Project which are partially captured by retail and businesses at the Project

In addition to the 1 percent sales tax received by every city and county in California, voter-approved local taxes dedicated to transportation purposes are collected. Two special districts, the San Francisco County Transportation Authority and the San Francisco Public Financing Authority (related to San Francisco Unified School District) also receive a portion of sales taxes (0.50 and 0.25 percent, respectively) in addition to the 1 percent local portion. The City also receives revenues from the State based on sales tax for the purpose of funding public safety-related expenditures.

Sales Taxes from Construction

During the construction phases of the Project, one-time revenues will be generated by sales taxes on construction materials and fixtures. Sales tax will be allocated directly to the City and County of San Francisco in the same manner as described in the prior paragraph.

Transient Occupancy Tax (TOT)

Hotel Room Tax (also known as Transient Occupancy Tax or TOT) will be generated when hotel occupancies are enhanced by the commercial and residential uses envisioned for the Project. The City currently collects a 14 percent tax on room charges. However, given that no hotels are envisioned for the Project (out-of-town visitors to the site will likely stay at hotels elsewhere in the City), the impact will not be direct and is excluded from this analysis.

Parking Tax

The City collects tax on parking charges at garages, lots, and parking spaces open to the public or dedicated to commercial users. The tax is 25 percent of the pre-tax parking charge. The revenue may be deposited to the General Fund and used for any purpose, however as a matter of City policy the SFMTA retains 80 percent of the parking tax revenue; the other 20 percent is available to the General Fund for allocation to special programs or purposes. This analysis assumes that all new commercial parking spaces envisioned for the Project will generate parking tax. This analysis does not include any off-site parking tax revenues that may be generated by visitors to the Project that park off-site.

Property Transfer Tax

The City collects a property transfer tax ranging from $5.00 on the first $1,000 of transferred value on transactions up to $250,000 to $25.00 per $1,000 on the amount of transactions above $10 million. The fiscal estimates assume an effective rate applicable to an average condo transaction of $1 million, and an average rental and office building transaction of $20 million.

Several residential parcels could be sold to vertical developers and become condominiums, which will sell more frequently than residential rental and commercial properties. The fiscal analysis assumes that commercial property sells once every ten to twenty years, or an average of about once every 15 years. For estimating purposes, it is assumed that sales are spread

evenly over every year, although it is more likely that sales will be sporadic. An average tax rate has been applied to the average sales transactions to estimate the potential annual transfer tax to the City. Actual amounts will vary depending on economic factors and the applicability of the tax to specific transactions.

The residential units on the 20th/Illinois Street Parcel and Hoedown Yard are assumed to be condos, which can re-sell independently of one another at a rate more frequent than rental buildings, generating more transfer tax revenue than rental buildings. This analysis conservatively assumes that the average condominium will be sold to a new owner every seven years, on average.

Gross Receipts Tax

Estimated gross receipts tax revenues are generated from on-site businesses and rental income. This analysis does not estimate the "phase in" of this tax during the 2014 to 2017 period and assumes gross receipts taxes will substantially replace the existing payroll tax. Actual revenues from future gross receipt taxes will depend on a range of variables, including business types and sizes, share of activity within San Francisco, and other factors; the estimates generally assume the lower rates if a potential range exists for a given category in the analysis. It is likely that the majority of businesses in the retail, arts and light industrial (RALI) space will be small businesses and therefore exempt from the gross receipts tax.

DEVELOPMENT IMPACT FEES

The Project will generate a number of one-time City impact fees as a result of new development. Reuse of existing buildings is assumed to be exempt from the impact fees. Fees include:

- **Jobs Housing Linkage Program** (Planning Code Sec. 413) – A fee per each new square foot of commercial development to fund housing programs to meet affordable housing needs generated by new employment by the Project's commercial uses. These fees will help fund affordable housing at the Project.
- **Affordable Housing** (Planning Code Sec. 415) –Condominiums on the site will meet affordable housing requirements by paying the affordable housing fee representing 28% percent of the market rate units. 20 percent of new rental developments will provide onsite inclusionary affordable units
- **Child Care** (Planning Code Sec. 414, 414A) – A fee per square foot will be paid by the office and residential uses, applicable to the extent that childcare facilities are not provided on-site.

- **Transit Sustainability Fee (TSF)** (Planning Code Sec. 411A) – This fee, effective December 25, 2015, replaced the Transit Impact Development Fee. It is a fee per square foot paid by residential, non-residential, and PDR uses. The fee estimates assume that new Project development pays 100 percent of the TSF fees.

In addition to the impact fees charged by the City, utility connection and capacity charges will be collected based on utility consumption and other factors. Other fees will include school impact fees to be paid to the San Francisco Unified School District. The Project will also pay various permit and inspection fees to cover City costs typically associated with new development projects.

4. DEBT LOAD TO BE CARRIED BY THE CFD, IFD AND IRFD

The Pier 70 Waterfront Site proposes to use a portion of newly created property tax funds from the Project, collected through an Infrastructure Financing District (IFD) on the Pier 70 Waterfront Site, and an Infrastructure and Revitalization Financing District (IRFD) on Hoedown Yard properties to help pay for the horizontal development costs required by the Project. The IFD and IRFD obligations will be secured by property taxes (and possessory interest taxes) paid by the Project lessees and property owners, and will not obligate the City's General Fund or the Port's Harbor Fund. In the IFD, the property tax increment will be used to fund Project infrastructure and/or to repay IFD bonds, or to pay debt service on CFD bonds, as described below. In the IRFD, the property tax increment will be used to finance affordable housing and/or to repay IRFD Bonds.

Although specific financing vehicles will be refined as the financial planning continues and market conditions change, it is expected that the annual IFD revenues will fund debt service on $397 million of net proceeds from bonds (nominal dollars). IRFD bond proceeds are estimated to be approximately $45.9 million (nominal dollars). The actual amount of bonds issued could be greater depending on the amount of tax increment generated in future years. For the purpose of specifying debt issuance limits, a contingency has been added to the anticipated required amounts and the amounts issued could be greater than the estimates noted above.

Although CFD bonds (paid by IFD revenues) currently are anticipated to be the primary source of debt proceeds, the specific mix of CFD and IFD bonds will be determined based on future market conditions, and on the appropriate mix necessary to minimize financing costs.

The formation documents for the IFD, IRFD and CFD, which are subject to approval by the Board of Supervisors, clarify that the debt incurred under these districts are obligations of the districts, and are not an obligation, responsibility or risk to the Port's Harbor Fund and the City's General Fund.

5. BENEFITS TO THE CITY AND PORT

The Project will provide a range of direct and indirect benefits to the City and the Port. These benefits include tax revenues that exceed service costs, as well as a range of other economic benefits such as new jobs, economic activity, and increased public and private expenditures.

FISCAL BENEFITS

As described in **Chapter 3**, the Project is anticipated to generate a net $8.3 million annual general City tax revenues in excess of its estimated public service costs. These revenues would be available for expansion of local and/or Citywide services and public facilities.

ECONOMIC BENEFITS TO THE CITY

The construction of the Project on the Pier 70 Waterfront Site and Illinois Street Parcel and future economic activity of businesses and households that will occupy the Project will create short-term construction spending and jobs, as well as longer-term, permanent jobs and economic activity in San Francisco. The economic analysis provides estimates of these benefits, including the "multiplier" effects from expenditures by new businesses and households that in turn generate more business to suppliers and other industries supporting the new businesses at the Project.

Table 5 summarizes the potential economic benefits of the Project. The following analysis provides a description of the types of benefits and an "order of magnitude" of benefits.

Table 5 Summary of Economic Impacts (2017 $$)

Impact Category	IFD Pier 70 28-acre Waterfront Site	IFD 20th/Illinois	IRFD Hoedown Yard	TOTAL
Ongoing Project Employment				
Direct	6,050	30	10	6,090
Indirect	1,850	10	0	1,860
Induced	3,380	20	10	3,410
Total Employment	**11,280**	**60**	**20**	**11,360**
Annual Economic Output				
Direct	$1,722,251,000	$8,095,000	$3,501,000	$1,733,847,000
Indirect	516,451,000	2,427,000	1,050,000	519,928,000
Induced	616,257,000	2,897,000	1,253,000	620,407,000
Total Annual Economic Output	**$2,854,959,000**	**$13,419,000**	**$5,804,000**	**$2,874,182,000**
Construction-Related Employment (Job-Years)				
Direct	8,350	790	1,090	10,230
Indirect	2,450	230	320	3,000
Induced	2,950	280	380	3,610
Total Construction Employment (Job-Years)	**13,750**	**1,300**	**1,790**	**16,840**
Economic Output from Construction				
Direct	$1,695,561,000	$159,730,000	$220,548,000	$2,075,839,000
Indirect	482,990,000	45,500,000	62,824,000	591,314,000
Induced	525,899,000	49,542,000	68,406,000	643,847,000
Total Economic Output from Construction	**$2,704,450,000**	**$254,772,000**	**$351,778,000**	**$3,311,000,000**

Source: IMPLAN 2014; and Berkson Associates. *8/31/17*

Employment

New permanent full and part-time jobs will be created by the Project. The number of jobs to San Francisco residents will depend on the ability of local residents to compete for Project employment opportunities and implementation of local hire policies.

The number and type of Arts and Light Industrial jobs depend on the potential mix of businesses and uses; and may include shared office and manufacturing work environments, arts and culture, and food-related uses. For purposes of analysis, this report assumes average job densities similar to office uses, consistent with the environmental analysis of the Project.[17]

[17] DEIR, Table 4.C.5, pg. 4.C.27, Dec. 21, 2016.

Total Output

"Direct" output refers to the total income from all sources to the businesses located at the Project; these sources of income in turn are spent by the businesses on supplies, labor, and profit required to produce the goods and services provided by the businesses. In addition, Project businesses will spend money on goods, supplies, and services in San Francisco, which will generate additional "indirect" economic activity and support additional jobs at those suppliers. The San Francisco households holding those direct and indirect jobs will spend a portion of their income in the City, which is an additional source of "induced" output. Total output is the sum of direct, indirect, and induced business income in the City as a result of the Project.

New Households and Affordable Housing

Development of residential units at the Pier 70 Waterfront Site and 20th/Illinois Street Parcel will generate a small number of new jobs directly serving the residential buildings and occupants, for example building maintenance, janitorial and repair services, waste collection, domestic services, and childcare. Expenditures by the residents of the new units are not included in the economic impact numbers because the analysis projects economic activity generated by the Project due to onsite jobs, and the indirect and induced expenditures associated with those onsite jobs. However, the addition of a significant supply of residential units will help to ensure that induced expenditures are captured in San Francisco, and that expenditures by residents re-locating from other communities are also spent in the City. These effects will be a substantial benefit to San Francisco business revenues. These potential taxable sales are included in the fiscal analysis of direct tax revenues created, but are not shown in the economic analysis.

As noted in **Chapter 1**, the Waterfront Site will provide 20 percent inclusionary affordable units on all rental projects. Condos are assumed to pay in-lieu fees per unit for 28 percent of total condo units. The availability of affordable housing will help San Francisco businesses retain employees critical to their ongoing operations in the City. Additional sites will be dedicated to development dedicated entirely to affordable housing. Fees paid by new Project development (e.g., the affordable housing in-lieu fees, and jobs-housing linkage fees) will help to fund the affordable housing.

Construction Impacts

$2.1 billion of direct construction expenditures for site development and vertical construction will create a range of economic benefits to the City. In addition to generating "direct" construction activity and jobs on site, the construction expenditures will also generate new business and jobs "indirectly" for San Francisco firms serving the construction industry. Expenditures in San Francisco by the households of employees of companies benefiting from these direct and indirect expenditures will create additional "induced" benefits to the City. These benefits will occur over time during construction and through buildout of the Project.

As described in **Chapter 3**, construction activity will generate additional general revenues to the City, including sales tax on construction materials and gross receipts tax.

DIRECT FINANCIAL BENEFITS TO THE PORT

The Port will receive various revenues over the 99-year lease period and in conjunction with land sales; the estimates below provide the Port with approximately $178 million in net present value (NPV, 2017 $$) of revenues that are projected to be generated to the Port over time, based on current financial projections based on the program assumptions described in **Chapter 1** of this report. Actual revenues will vary depending on the mix of land uses, Project costs and revenues, and future economic conditions, and will be generated over the life of the Project.

- Profit participation in land value, calculated as 55 percent of all horizontal cash flow after Forest City achieves an 18 percent return on its predevelopment and infrastructure investments, estimated at $23.7 million (NPV, 2017 $$).
- Participation in modified gross rent from buildings, starting at 1.5 percent 30 years after construction and increasing to 2.5 percent 60 years after construction, estimated at $22.8 million (NPV, 2017 $$).
- 1.5 percent of all net proceeds from sale or refinancing of properties, estimated at $5.9 million (NPV, 2017 $$).
- A share of property tax increment, designated for capital improvements at Pier 70 including the release of reserves, estimated at $38.9 million (NPV, 2017 $$).
- A $0.08 share of each dollar of property tax increment from the amount collected annually, estimated at $23.6 million (NPV, 2017 $$).
- Condominium Transfer Fee – paid upon every sale of a condominium unit, estimated at $36.8 million (NPV, 2017 $$).
- Condominium Facility Tax – This tax will fund capital improvements and Pier 70 public services; the portion available after debts are paid will be applied to shoreline improvements, and is estimated at $1.5 million (NPV, 2017 $$).
- Shoreline Tax – A portion of the CFD special tax not required for Project costs and reserves will be available to the Port after the Developer's required returns are paid; this is estimated at $16.1 million (NPV, 2017 $$).
- Lease Revenues from Parcel C-1A – this site, originally programmed for a parking garage, will provide the Port with an estimated $8.9 million (NPV, 2017 $$).

The Port will publicly offer the 20th/Illinois Street parcel for sale or 99-year ground lease at fair market value through a proprietary public offering as soon as practicable after project approval. The Port's net proceeds, or an amount equal to the parcel's appraised fair market value, will be used by the Port to reduce or pay off predevelopment costs and accrued return.

NEW PUBLIC ACCESS FACILITIES

The Project will provide a range of public parks, public access, and open space, consisting of approximately 9 acres of public parks, including a 4.5-acre Waterfront Park. A network of landscaped pedestrian connections and multiple classes of bicycle networks, from commuting lanes to recreational pathways, throughout the Project site will enhance accessibility. These facilities will benefit San Francisco residents, and provide amenities to encourage retention and attraction of businesses, employees, and residents.

As previously noted, maintenance of these facilities will be funded by a CFD. Maintenance special taxes levied against each taxable development parcel, separate from special taxes levied to pay for infrastructure, will provide pay-as-you-go funds for operating and maintenance costs of public access, roads, parks and open space areas.

OTHER PUBLIC BENEFITS

Development of the Project represents an opportunity to complete an important component of the revitalization of the San Francisco waterfront, bringing a vital mix of uses that will support business, residential, retail, and recreational activities to an area now characterized by vacant and underutilized land and intermittent buildings. The Project will result in the rehabilitation of historic buildings, to be maintained by the building owners/tenants. The redevelopment of the Project will generate benefits for the City and community in the form of urban revitalization, employment and living opportunities, preservation of historic maritime facilities and structures, improved public waterfront access, delivery of affordable housing, improvements to Port property including sea level rise protections, new outdoor recreation opportunities, and City-wide fiscal and economic benefits as described in other sections of this report.

APPENDIX A: FISCAL ANALYSIS

Table 1
Fiscal Results Summary, Ongoing Revenues and Expenditures
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Pier 70 28-acre Waterfront Site	IFD 20th/Illinois St.	IFD Annual Total	IRFD Hoedown Yard	SUD Annual Total
Annual General Revenue					
Property Tax in Lieu of VLF	$1,729,000	$225,000	1,954,000	$310,000	2,264,000
Property Transfer Tax	2,231,000	$204,000	2,435,000	$0	2,435,000
Sales Tax	772,000	$96,000	868,000	$129,000	997,000
Parking Tax (City 20% share)	0	$0	0	$0	0
Gross Receipts Tax	7,007,000	$2,000	7,009,000	$44,000	7,053,000
Subtotal, General Revenue	**$11,739,000**	**$527,000**	**$12,266,000**	**$483,000**	**$12,749,000**
(less) 20% Charter Mandated Baseline	($2,347,800)	($105,400)	($2,453,200)	($96,600)	($2,549,800)
Net to General Fund	**$9,391,200**	**$421,600**	**$9,812,800**	**$386,400**	**$10,199,200**
Public Services Expenditures					
Parks and Open Space		*Funded by Project Assessments*			
Roads		*Funded by Project Assessments*			
Police	(849,000)	(52,000)	(901,000)	(69,000)	(969,000)
Fire/EMS (net of fees and charges)	(853,000)	(52,000)	(905,000)	(69,000)	(974,000)
Subtotal, Services	**($1,702,000)**	**($104,000)**	**($1,806,000)**	**($138,000)**	**($1,943,000)**
NET General Revenues	**$7,689,200**	**$317,600**	**$8,006,800**	**$248,400**	**$8,256,200**
Annual Other Dedicated and Restricted Revenue					
Public Safety Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
SF Cnty Transportation Auth'y Sales Tax	$386,000	$48,000	434,000	$65,000	499,000
Subtotal	**$772,000**	**$96,000**	**$868,000**	**$130,000**	**$998,000**
Possessory Interest/Property Taxes (1)	**$17,328,000**	**$2,253,000**	**$19,581,000**	**$3,111,000**	**$22,692,000**
TOTAL, Net General + Other Revenues	**$25,789,200**	**$2,666,600**	**$28,455,800**	**$3,489,400**	**$31,946,200**

(1) Until project infrastructure costs are fully paid, the full $0.65 per property tax dollar generated from the site will be utilized to fund bond debt service and on a pay-go basis fund infrastructure costs through an IFD/IRFD approved by the Board of Supervisors. The $0.65 represents the General Fund and dedicated funds share; total IFD revenues available for infrastructure will also include the State's share that currently is distributed to ERAF. The IRFD (Hoedown Yard parcels) will only receive the General Fund share to pay for Project costs.

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Table 1a
Annual Service Costs During Development
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Area/Service	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
IFD											
Pier 70 28-acre Waterfront Site											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(33,364)	(117,608)	(200,072)	(228,817)	(228,817)	(377,175)	(466,786)	(532,781)	(699,767)	(744,419)	(849,000)
Fire/EMS	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)	(853,000)
Total, Pier 70	(886,364)	(970,608)	(1,053,072)	(1,081,817)	(1,081,817)	(1,230,175)	(1,319,786)	(1,385,781)	(1,552,767)	(1,597,419)	(1,702,000)
20th/Illinois											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Fire/EMS	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)
Total, 20th/Illinois	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)	(104,000)
TOTAL IFD	(990,364)	(1,074,608)	(1,157,072)	(1,185,817)	(1,185,817)	(1,334,175)	(1,423,786)	(1,489,781)	(1,656,767)	(1,701,419)	(1,806,000)
IRFD											
Hoedown Yard											
Parks and Open Space	*Funded by Project Assessments*										
Roads	*Funded by Project Assessments*										
Police	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Fire/EMS	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)	(69,000)
Total, 20th/Illinois	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL IRFD	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)	(138,000)
TOTAL, SERVICE COSTS	(1,128,364)	(1,212,608)	(1,295,072)	(1,323,817)	(1,323,817)	(1,472,175)	(1,561,786)	(1,627,781)	(1,794,767)	(1,839,419)	(1,944,000)

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Table 2
Fiscal Results Summary, One-Time Revenues
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	IFD Pier 70 28-acre Waterfront Site	IFD 20th/Illinois St.	IFD Total	IRFD Hoedown Yard	SUD Total
Development Impact Fees (1)					
Jobs Housing Linkage - §413	$37,443,000	$157,000	37,600,000	$0	37,600,000
Affordable Housing-- §415 (1)	$44,206,000	$17,999,000	62,205,000	$24,852,000	87,057,000
Child Care (2)	$4,650,000	$477,000	5,127,000	$671,000	5,798,000
TSF - §411A and TIDF-§411.3 (3)	$40,530,000	$2,414,000	42,944,000	$3,207,000	46,151,000
Total Development Impact Fees	**$126,829,000**	**$21,047,000**	**$147,876,000**	**$28,730,000**	**$176,606,000**
Other One-Time Revenues					
Construction Sales Tax (1% Gen'l Fund)	$2,798,000	$264,000	3,062,000	$364,000	3,426,000
Gross Receipts Tax During Construction	$3,730,000	$351,000	4,081,000	$0	4,081,000
Total: Other One-Time Revenues	**$6,528,000**	**$615,000**	**$7,143,000**	**$364,000**	**$7,507,000**
Total One-Time Revenues	**$133,357,000**	**$21,662,000**	**$155,019,000**	**$29,094,000**	**$184,113,000**

(1) Impact fee rates as of Jan. 1, 2017.
(2) Childcare fees only apply to office and residential uses.
(3) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; assumes entire Project pays TSF. *8/31/17*

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Table A-1
Project Description Summary (1)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Gross Bldg. Sq.Ft.	Units or Spaces	Notes
Pier 70 28-acre Waterfront Site			
Retail	75,893	na	
Arts, Light Industrial	205,880	na	Inc. 115,700 sq.ft. Bldgs 12c, 21
Office	1,387,228	na	Inc. 60ksf Bldg 12a
Residential			
Apartments			
Market Rate		709 units	
Affordable		177 units	
Total, Apts		886 units	
Condos			
Market Rate		587 units	
Affordable		units	
Total, Condos		587 units	
Total, Residential		1,473 units	
Parking		1,569 spaces	
20th/Illinois Street			
Retail	6,600		
Office	0	na	
Residential (condos)	248,615	239 units	
Parking		239 spaces	
Hoedown Yard			
Retail			
Office			
Residential (condos)	349,353	330 units	
Parking		126 spaces	
TOTAL			
Retail	82,493		
Arts, Light Industrial	205,880		
Office	1,387,228		
Residential			
Apartments			
Market Rate		709	
Affordable		177	
Total, Apts		886	
Condos			
Market Rate		1,156	
Affordable		0	
Total, Condos		1,156	
Total, Residential	1,614,106	**2,042**	
Market Rate		1,865	
Affordable		177	
Parking		1,934 spaces	

(1) From Financing Plan Base Case scenario (Updates 8/30/17).
Additional 100% affordable units can be constructed on dedicated sites.
Source: Forest City; Port of San Francisco; Berkson Associates

8/31/17

Table A-2
Population and Employment
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Pier 70 28-acre Waterfront Site		
Population (1)	2.27 persons per unit	3,344
Employment (FTEs)		
Retail	350 sq.ft. per FTE (2)	217
Arts, Light Industrial	276 sq.ft. per FTE (2)	746
Office	276 sq.ft. per FTE (2)	5,026
Residential (4)	27.9 units per FTE (3)	53
Parking (2)	270 spaces per FTE (3)	6
Total		6,048
Total Service Population		9,391
Illinois Street Parcels (2)		
Population (1)	2.27 persons per unit	543
Employment (FTEs)		
Retail	350 sq.ft. per FTE (2)	19
Office	276 sq.ft. per FTE (2)	0
Residential (4)	27.9 units per FTE (3)	9
Parking (2)	270 spaces per FTE (3)	1
Total		28
Total Service Population		571
Hoedown Yard		
Population (1)	2.27 persons per unit	749
Employment (FTEs)		
Retail	350 sq.ft. per FTE (2)	0
Office	276 sq.ft. per FTE (2)	0
Residential (4)	27.9 units per FTE (3)	12
Parking (3)	270 spaces per FTE (3)	0
Total		12
Total Service Population		761
TOTAL		
Residents		4,635
Employees		6,088
Service Population		10,724
CITYWIDE		
Residents (5)		866,583
Employees (6)		709,496
Service Population		1,576,079

(1) Based on DEIR.
(2) DEIR, Table 4.C.5.
(3) DEIR, Table 4.C.5.
(4) Includes building management, janitorial, cleaning and repair, childcare, and other domestic services.
(5) Cal. Dept. of Finance, Rpt. E-1, 2016
(6) BLS QCEW State and County Map, 2016Q3. *8/31/17*

Table A-3
San Francisco City Development Impact Fee Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Residential	Office	Retail	Arts, Light Industrial	TOTAL
New Development (sq.ft.) (1)	1,986,740	1,387,228	82,493	205,880	
New Residential Units	2,042				
Adaptive Reuse (Buildings 2, 12, 21)					
Units	107,736				
Sq.Ft.	107,616	60,000	0	115,700	
Net of Adaptive Reuse	1,529,771	**1,327,228**	**82,493**	**90,180**	
City Fees (per gross building sq.ft.) (2)					
Jobs Housing Linkage -§413 (5)		$33,831,042	$1,961,684	$1,807,207	**$37,599,932**
Affordable Housing-§415 (3)	$87,056,973				**$87,056,973**
Child Care-§414 (4)	$3,607,919	$2,189,926	$0	$0	**$5,797,845**
Transportation Sustainability Fee §411A (6)	$17,250,361	$26,531,288	$1,649,035	$720,538	**$46,151,222**
TIDF-§411.3 (6)		$0	$0	$0	**$0**
Total	**$107,915,252**	**$62,552,256**	**$3,610,719**	**$2,527,745**	**$176,605,972**

(1) Residential fees assume avg. 900 sq.ft./unit.
(2) All impact fees are as of January 2017.
(3) Plans anticipate providing inclusionary rental units on Waterfront Site; Illinois Street assumed to be condos and pay an in-lieu fee.
Assumes in-lieu fees of $268,960 (avg. 1-bdrm) times 20% of onsite market-rate units.
(4) Childcare fee will not apply if child care facilities are constructed on site.
(5) Jobs-Housing fee for Arts/Light Industrial assumes rate for Integrated PDR and Small Enterprise Workspace.
(6) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; analysis assumes all development pays 100% of TSF.
Arts, Light Industrial assumes PDR fee; retail fee for < 100,000 sq.ft.

Sources: City of San Francisco, and Berkson Associates.

8/31/17

Table A-3a
San Francisco City Development Impact Fee Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Residential	Office	Retail	Arts, Light Industrial	TOTAL
Pier 70 28-acre Waterfront Site					
New Development (sq.ft.) (1)	1,388,772	1,387,228	75,893	205,880	
New Residential Units	1,473				
Adaptive Reuse (buildings 2, 12, 21)					
Units	120				
Sq.Ft.	107,616	60,000		115,700	
Sq.Ft. Net of Adaptive Reuse	**1,281,156**	**1,327,228**	**75,893**	**90,180**	
Condos	587				
City Fees (per gross building sq.ft.) (2)					
Jobs Housing-§413 (5)		$25.49	$23.78	$20.04	**$37,442,984**
Affordable Housing-§415 (3)	$268,960				**$44,206,266**
Child Care-§414 (4)	$1.92	$1.65			**$4,649,746**
Transportation Sustainability Fee §411A (6)	$9.18	$19.99	$19.99	$7.99	**$40,529,942**
TIDF-§411.3 (6)					**$0**
Total	**$58,427,100**	**$62,552,256**	**$3,321,837**	**$2,527,745**	**$126,828,938**
20th/Illinois Street (2)					
New Development (sq.ft.) (1)	248,615	0	6,600	0	
New Residential Units	239				
Condos	239				
City Fees (per gross building sq.ft., except for "Affordable housing" (2)					
Jobs Housing-§413 (5)		$25.49	$23.78	$20.04	**$156,948**
Affordable Housing-§415 (3)	$268,960				**$17,998,803**
Child Care-§414 (4)	$1.92	$1.65			**$477,341**
Transportation Sustainability Fee (6)	$9.18	$19.99	$19.99	$7.99	**$2,414,220**
TIDF-§411.3 (6)					**$0**
Total	**$20,758,430**	**$0**	**$288,882**	**$0**	**$21,047,312**
Hoedown Yard (2)					
New Development (sq.ft.) (1)	349,353	0	0		
New Residential Units	330				
City Fees (per gross building sq.ft., except for "Affordable housing" (2)					
Jobs Housing-§413 (5)		$25.49	$23.78	$20.04	**$0**
Affordable Housing-§415 (3)	$268,960				**$24,851,904**
Child Care-§414 (4)	$1.92	$1.65			**$670,758**
Transportation Sustainability Fee (6)	$9.18	$19.99	$19.99	$7.99	**$3,207,061**
TIDF-§411.3 (6)					**$0**
Total	**$28,729,722**	**$0**	**$0**	**$0**	**$28,729,722**

Notes to Table A-3a:

(1) Residential fees assume avg. 943 sq.ft./unit.
(2) All impact fees are as of January 2017.
(3) Plans anticipate providing inclusionary rental units on Waterfront Site; Illinois Street assumed to be condos and pay an in-lieu fee.
Assumes in-lieu fees of $268,960 (avg. 1-bdrm) times 20% of onsite market-rate units.
(4) Childcare fee will not apply if child care facilities are constructed on site.
(5) Jobs-Housing fee for Arts/Light Industrial assumes rate for Integrated PDR and Small Enterprise Workspace.
(6) Transportation Sustainability Fee (TSF) replaced TIDF in 2016; analysis assumes all development pays 100% of TSF.
Arts, Light Industrial assumes PDR fee; retail fee for < 100,000 sq.ft.

Sources: City of San Francisco, and Berkson Associates. 8/31/17

Table A-4
Assessed Value Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Development Cost	Assessed Value
Infrastructure	$260,535,000	*none assumed*
Arts, Light Industrial	$29,647,000	$14,391,000
Office	$636,626,000	$728,073,000
Residential	$1,149,031,000	$1,526,853,000
Total	**$2,075,839,000**	**$2,269,317,000**

Table A-4a
Assessed Value Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Development Cost	Assessed Value
Pier 70 28-acre Waterfront Site		
Infrastructure	$260,535,000	*inc. in bldg.value*
Arts, Light Industrial (1)	$29,647,000	$14,391,000
Office (1)	$636,626,000	$728,073,000
Residential	$768,753,000	$990,362,000
Total	**$1,695,561,000**	**$1,732,826,000**
20th/Illinois		
Infrastructure	*see Pier 70 costs*	*inc. in bldg.value*
Residential	$159,730,000	$225,345,000
Total	**$159,730,000**	**$225,345,000**
Hoedown Yard		
Infrastructure	*see Pier 70 costs*	*inc. in bldg.value*
Residential	$220,548,000	$311,146,000
Total	**$220,548,000**	**$311,146,000**
TOTAL	**$2,075,839,000**	**$2,269,317,000**

(1) Mixed use retail is included in the values for other uses.
Office buildings include additional Arts, Light Industrial uses and value.

Sources: Forest City; Port of San Francisco; Berkson Associates *8/31/17*

Table A-5
Possessory Interest and Property Tax Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions		Total
Gross Property Tax/Possessory Interest Tax		1.0% of new AV	**$22,693,000**
Allocation of Tax (2)			
Net New General Fund (1)	65.00%		**$14,750,450**
ERAF	25.33%		**$5,748,000**
SF Unified School District	7.70%		**$1,747,000**
Other	1.97%		**$447,000**
	100.00%		**$22,692,450**

Sources: City of San Francisco, and Berkson Associates *8/31/17*

Table A-6
Property Tax in Lieu of VLF Estimate
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Citywide Total Assessed Value (1)		$212,173,326,106
Total Citywide Property Tax in Lieu of Vehicle License Fee (VLF) (2)		$211,724,000
Pier 70 28-acre Waterfront Site		
Project Assessed Value		$1,732,826,000
Growth in Citywide AV due to Project		0.82%
Net New Property Tax in Lieu of VLF (3)		**$1,729,000**
20th/Illinois Street		
Project Assessed Value		$225,345,000
Growth in Citywide AV due to Project		0.11%
Net New Property Tax in Lieu of VLF (3)		**$225,000**
Hoedown Yard		
Project Assessed Value		$311,146,000
Growth in Citywide AV due to Project		0.15%
Net New Property Tax in Lieu of VLF (3)		**$310,000**
		1.07%
TOTAL PROPERTY TAX IN LIEU OF VLF		**$2,264,000**

(1) Based on the CCSF FY2015-16 total taxable assessed value recorded by Controller's Office, City and County of San Francisco. Annual Report 2016, Office of the Assessor-Recorder (pg. 22).
(2) City and County of San Francisco Annual Appropriation Ordinance for Fiscal Year Ending June 30, 2017, page 126.
(3) Equals the increase in Citywide AV due to the Project multiplied by the current Citywide Property Tax In Lieu of VLF. No assumptions included about inflation and appreciation of Pier 70 or Citywide assessed values beyond 2016.

Sources: City of San Francisco, and Berkson Associates

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Table A-7
Property Transfer Tax (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumptions	Total
Pier 70 28-acre Waterfront Site		
Annual Transfer Tax From Building Sales		
Residential Value (2)		
Residential Assessed Value (AV)	$990,362,000 *(avg. sale once/15 years)*	
Avg. Sales Value (1)	6.7% annual turnover	$66,024,000
Transfer Tax From Residential Buildings (2)	$19.32 /$1,000 (avg. $20 mill. sale)	$1,275,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	$742,464,000 *(avg.sale once/15 years)*	
Avg. Sales Value (1)	6.7% annual turnover	$49,498,000
Transfer Tax From Commercial Buildings (2)	$19.32 /$1,000 (avg. $20 mill. sale)	$956,000
Annual Average Transfer Tax		**$2,231,000**
20th/Illinois Street		
Annual Transfer Tax From Building Sales		
Residential Value (2)		
Residential Assessed Value (AV)	$225,345,000 *(avg. sale once/7 years)*	
Avg. Sales Value (1)	14.3% annual turnover	$32,192,000
Transfer Tax From Residential Buildings (2)	$6.35 /$1,000 (avg. $1 mill. sale)	$204,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	*(avg. sale once/15 years)*	
Avg. Sales Value (1)	6.7% annual turnover	$0
Transfer Tax From Commercial Buildings (2)	$19.32 /$1,000 (avg. $20 mill. sale)	$0
Annual Average Transfer Tax		**$204,000**
Hoedown Yard		
Annual Transfer Tax From Building Sales		
Residential Value (2)		
Residential Assessed Value (AV)	$311,146,000 *(avg. sale once/7 years)*	
Avg. Sales Value (1)	14.3% annual turnover	$44,449,000
Transfer Tax From Residential Buildings (2)	$6.35 /$1,000 (avg. $1 mill. sale)	$282,000
Commercial Value (2)		
Non-Residential Assessed Value (AV)	$0 *(avg. sale once/15 years)*	
Avg. Sales Value (1)	6.7% annual turnover	$0
Transfer Tax From Commercial Buildings (2)	$19.32 /$1,000 (avg. $20 mill. sale)	$0
Annual Average Transfer Tax	282000	
TOTAL ONGOING TRANSFER TAX		**$2,717,000**

(1) Waterfront Site assumes all residential buildings are rental units, and sales of all buildings average once every 15 years.
Illinois Street Parcels assumed to be condos and sell once every 7 years.
Commercial buildings assume sale once every 15 years.

(2) Calculated estimate assumes rate on $1 million average for condos, $20 million for apartments and commercial buildings.
Rates range from $5/$1,000 on first $250,000 to $25/$1,000 on amounts above $10 million.

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Table A-8a
Sales Tax Estimates
Pier 70 28-acre Waterfront Site

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	$47,600 per household	
Housing as a % of Average Annual HH Income (1)	30%	$158,700
Average HH Retail Expenditure (2)	27%	$42,800
New Households		1,473
Total New Retail Sales from Households		$63,044,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	$50,435,200
Net New Sales Tax to GF From Residential Uses	1.0% tax rate x taxable sales	**$504,000**
Taxable Sales From Commercial Space		
Retail Sq.Ft.		
Innovation (3)	50%	102,940
Retail		75,893
Total		178,833
Retail Taxable Sales		
Innovation	$300 per sq.ft.	$30,882,000
Retail	$300 per sq.ft.	$22,767,900
Total		$53,649,900
Sales Tax to San Francisco	1.0% tax rate x taxable sales	$536,000
(less) New On-Site Residential Sales (4)	25% of commercial sales	($134,000)
(less) Shift From Existing Sales (5)	25%	($134,000)
Net New Sales Tax to GF from Retail Space		**$268,000**
TOTAL Sales Tax to General Fund (1%)		**$772,000**
Annual Sales Tax Allocation		
Sales Tax to the City General Fund (7)	1.00% tax rate x taxable sales	**$772,000**
Other Sales Taxes		
Public Safety Sales Tax (6)	0.50% tax rate x taxable sales	**$386,000**
San Francisco County Transportation Authority (6)	0.50% tax rate x taxable sales	**$386,000**
SF Public Financing Authority (Schools) (6)	0.25% tax rate x taxable sales	**$193,000**
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		$1,695,561,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	$932,559,000
Supply/Materials Portion of Construction Cost	60.00%	$559,535,000
San Francisco Capture of Taxable Sales	50.00%	$279,767,500
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	**$2,798,000**

(1) Assumed average share of income allocated towards rent or mortgage.
(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.
(3) Only a portion of the tenants of innovation space will generate sales taxes (50% assumed). Innovation space will be distributed between shared office work environment, shared manufacturing, arts and culture, and food stall and kiosk retail uses. With the exception of food stall and kiosk retail, innovative retail uses are not assumed to generate substantial retail sales.
(4) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).
(5) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.
(6) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

8/31/17

Table A-8b
ales Tax Estimates
20th/Illinois Street

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	$50,000 per household	
Housing as a % of Average Annual HH Income (1)	30%	$166,700
Average HH Retail Expenditure (2)	27%	$45,000
New Households		239
Total New Retail Sales from Households		$10,755,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	$8,604,000
Net New Sales Tax to GF from Residential Uses	1.0% tax rate x taxable sales	**$86,000**
Taxable Sales From Commercial Space		
Retail Sq.Ft.		6,600
Retail Taxable Sales	$300 per sq.ft.	$1,980,000
Sales Tax to San Francisco	1.0% tax rate x taxable sales	$20,000
(less) New On-Site Residential Sales (3)	25% of commercial sales	($5,000)
(less) Shift From Existing Sales (4)	25%	($5,000)
Net New Sales Tax to GF from Retail Space		**$10,000**
TOTAL Sales Tax to General Fund (1%)		**$96,000**
Annual Sales Tax Allocation		
Sales Tax to the City General Fund	1.00% tax rate x taxable sales	**$96,000**
`ther Sales Taxes		
Public Safety Sales Tax (5)	0.50% tax rate x taxable sales	**$48,000**
San Francisco County Transportation Authority (5)	0.50% tax rate x taxable sales	**$48,000**
SF Public Financing Authority (Schools) (5)	0.25% tax rate x taxable sales	**$24,000**
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		$159,730,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	$87,852,000
Supply/Materials Portion of Construction Cost	60.00%	$52,711,000
San Francisco Capture of Taxable Sales	50.00%	$26,356,000
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	**$264,000**

(1) Assumed average share of income allocated towards rent or mortgage.
(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.
(3) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).
(4) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.
(5) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

8/14/17

Table A-8c
Sales Tax Estimates
Hoedown Yard

Item	Assumptions	Total
Taxable Sales From New Residential Uses		
Average Annual Housing Payment	$50,000 per household	
Housing as a % of Average Annual HH Income (1)	30%	$166,700
Average HH Retail Expenditure (2)	27%	$45,000
New Households		330
Total New Retail Sales from Households		$14,850,000
New Taxable Retail Sales Captured in San Francisco	80% of retail expenditures	$11,880,000
Net New Sales Tax to GF from Residential Uses	1.0% tax rate x taxable sales	**$119,000**
Taxable Sales From Commercial Space		
Retail Sq.Ft.		6,600
Retail Taxable Sales	$300 per sq.ft.	$1,980,000
Sales Tax to San Francisco	1.0% tax rate x taxable sales	$20,000
(less) New On-Site Residential Sales (3)	25% of commercial sales	($5,000)
(less) Shift From Existing Sales (4)	25%	($5,000)
Net New Sales Tax to GF from Retail Space		**$10,000**
TOTAL Sales Tax to General Fund (1%)		**$129,000**
Annual Sales Tax Allocation		
Sales Tax to the City General Fund	1.00% tax rate x taxable sales	**$129,000**
Other Sales Taxes		
Public Safety Sales Tax (5)	0.50% tax rate x taxable sales	**$65,000**
San Francisco County Transportation Authority (5)	0.50% tax rate x taxable sales	**$65,000**
SF Public Financing Authority (Schools) (5)	0.25% tax rate x taxable sales	**$32,000**
One-Time Sales Taxes on Construction Materials and Supplies (rounded)		
Total Development Cost		$220,548,000
Construction Costs (exc. Land, profit, soft costs, etc.)	55.00%	$121,301,000
Supply/Materials Portion of Construction Cost	60.00%	$72,781,000
San Francisco Capture of Taxable Sales	50.00%	$36,391,000
Sales Tax to San Francisco General Fund	1.0% tax rate x taxable sales	**$364,000**

(1) Assumed average share of income allocated towards rent or mortgage.
(2) Based on blended assumptions with average household expenditure based on typical household spending as reported for the San Francisco MSA by the State Board of Equalization.
(3) A portion of new sales from San Francisco residents are assumed captured by retail in the Project (calculated above).
(4) Reflects a deduction of retail sales that could be captured elsewhere in San Francisco were the Project not built.
(5) Sales tax proportions for these entities as reported by Controller's Office.

Source: Berkson Associates

8/31/17

Table A-9
Parking Tax
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Assumption	Total
Pier 70 28-acre Waterfront Site		
Total Spaces		1,569
Residential Spaces		1,569
Non-Residential Spaces (1)		0
Parking Revenues		
Annual Total (2)	$5,928 per year	$0
San Francisco Parking Tax (3)	25% of revenue	**$0**
Parking Tax Allocation to General Fund/Special Programs	*20% of tax proceeds*	$0
Parking Tax Allocation to Municipal Transp. Fund	*80% of tax proceeds*	$0
20th/Illinois Street		
Non-Residential Spaces (1)		
Parking Revenues		
Annual Total (2)	$5,928 per day	$0
San Francisco Parking Tax	25% of revenue	**$0**
Parking Tax Allocation to General Fund/Special Programs	*20% of tax proceeds*	$0
Parking Tax Allocation to Municipal Transp. Fund	*80% of tax proceeds*	$0
Hoedown Yard		
Non-Residential Spaces (1)		
Parking Revenues		
Annual Total (2)	$5,928 per day	$0
San Francisco Parking Tax	25% of revenue	**$0**
Parking Tax Allocation to General Fund/Special Programs	*20% of tax proceeds*	$0
Parking Tax Allocation to Municipal Transp. Fund	*80% of tax proceeds*	$0

(1) This analysis assumes that all non-residential Project parking will generate parking tax; includes parking in commercial buildings.
(2) Including parking tax on monthly and daily rentals.
(3) 80 percent is transferred to the San Francisco Municipal Transportation Agency for public transit as mandated by Charter Section 16.110.

Source: Berkson Associates *8/31/17*

Table A-10
Gross Receipts Tax Estimates (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax (1)	Gross Revenue Tier (2) up to $1m	$1m - $2.5m	$2.5m - $25m	$25m+	Gross Receipts Tax
Pier 70 28-acre Waterfront Site							
Business Income							
Retail (net of shift) (4)	$11,384,000	$10,246,000	0.075%	0.100%	0.135%	0.160%	$10,246
Arts, Light Industrial (3)	$15,441,000	$1,544,000	0.075%	0.100%	0.135%	0.160%	$1,158
Office (4)	$1,431,376,000	$1,288,238,000	0.400%	0.460%	0.510%	0.560%	$6,570,014
Parking	$0	$0	0.075%	0.100%	0.135%	0.160%	$0
Subtotal	$1,458,201,000	$1,300,028,000					$6,581,418
Rental Income (5)							
Retail	$3,076,000	$3,076,000					
Arts, Light Industrial	$4,150,000	$4,150,000	0.285%	0.285%	0.300%	0.300%	$12,450
Office	$88,736,000	$88,736,000	0.285%	0.285%	0.300%	0.300%	$266,208
Parking	$8,836,000	$8,836,000	0.285%	0.285%	0.300%	0.300%	$26,508
Residential	$40,027,000	$40,027,000	0.285%	0.285%	0.300%	0.300%	$120,081
Subtotal	$144,825,000	$144,825,000					$425,247
Total Gross Receipts	**$1,603,026,000**	**$1,444,853,000**					**$7,006,665**
Project Construction							
Total Development Value (6)	$1,695,561,000	$1,695,561,000					
Direct Construction Cost (7)	$932,558,550	$932,558,550	0.300%	0.350%	0.400%	0.450%	**$3,730,234**
20th/Illinois Street							
Business Income							
Retail (net of shift) (4)	$990,000	$891,000	0.075%	0.100%	0.135%	0.160%	$891
Office (4)	$0	$0	0.400%	0.460%	0.510%	0.560%	$0
Parking (4)	$0	$0	0.075%	0.100%	0.135%	0.160%	$0
Subtotal	$990,000	$891,000					$891
Rental Income (5)							
Retail	$267,000	$267,486	0.285%	0.285%	0.300%	0.300%	$802
Office	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Parking	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Residential	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Subtotal	$267,000	$267,486					$802
Total Gross Receipts	**$1,257,000**	**$1,158,486**					**$1,693**

Table A-10
Gross Receipts Tax Estimates (2017 dollars)
Pier 70 28-acre Waterfront Site, 20th/Illinois and Hoedown Yard

Item	Total Gross Receipts (GR)	GR Allocated to SF for GR Tax (1)	Gross Revenue Tier (2) up to $1m	$1m - $2.5m	$2.5m - $25m	$25m+	Gross Receipts Tax
Project Construction							
Total Development Value (6)	$159,730,000	$160,000,000					
Direct Construction Cost (7)	$87,852,000	$87,852,000	0.300%	0.350%	0.400%	0.450%	**$351,408**
Hoedown Yard							
Business Income							
Retail (net of shift) (4)	$990,000	$891,000	0.075%	0.100%	0.135%	0.160%	$1,411
Office (4)	$0	$0	0.400%	0.460%	0.510%	0.560%	$41,076
Parking (4)	$0	$0	0.075%	0.100%	0.135%	0.160%	$0
Subtotal	$1,568,000	$9,465,300					$42,487
Rental Income (5)							
Retail	$0	$0	0.285%	0.285%	0.300%	0.300%	$1,234
Office	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Parking	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Residential	$0	$0	0.285%	0.285%	0.300%	0.300%	$0
Subtotal	$411,000	$411,184					$1,234
Total Gross Receipts	**$1,979,000**	**$9,876,484**					**$43,721**
Project Construction							
Total Development Value (6)	$220,548,000	$220,548,000					
Direct Construction Cost (7)	$121,301,000	$121,301,000	0.300%	0.350%	0.400%	0.450%	**$456,000**

*Note: reflects tax implementation after the payroll tax is phased out.

(1) Rounded; gross receipts for retail, office, and manufacturing uses are based on direct output of onsite uses, from IMPLAN.
(2) Given uncertainty about business size among various categories, this analysis applies highlighted tax rate in tier for each use.
to $25 million per business. The actual gross receipts will depend on the size of business in each category and their gross receipts generated within the City.
(3) 10% of gross receipts are assumed to be subject to the tax as small businesses and employment outside of San Francisco will be exempt. Rate based on retail; manufacturing w
(4) 90% of office gross receipts are assumed to be subject to the tax as small businesses and employment outside of San Francisco will be exempt.
Gross receipts based on output per employee of $284,800 (IMPLAN). Tax rate based on Financial, Insurance, Professional, Scientific and Technical Services.
Parking business income based on gross revenues (net of parking tax) from garages and commercial spaces (see parking tax estimates). Parking rent for residential parking incl
(5) Pier 70 office and residential rents include rent from retail and non-structured parking components. Estimates are based on the Pier 70 Financial Plan.
(6) Based on vertical development cost plus infrastructure cost.
(7) As a planning estimate, approximately 55% is assumed to represent direct construction costs.

Sources: City of San Francisco; IMPLAN 2014; Berkson Associates.

8/31/17

[Resolution of Intention to Establish Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)]

Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call a public hearing on September 11, 2018, on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

WHEREAS, FC Pier 70, LLC (Forest City) and the City and County of San Francisco (the City), acting by and through the San Francisco Port Commission, anticipate entering into a Disposition and Development Agreement (the DDA), which will govern the disposition and development of approximately 28 acres of land in the waterfront area of the City known as Pier 70 (the Project Site); and

WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the "Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation Initiative" (Proposition F), was approved by the voters in the City; and

WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the City, that the City encourage the timely development of the Project Site with a development project that includes certain major uses, including without limitation, new below market-rate

homes affordable to middle- and low-income families and individuals, representing 30 percent of all new housing units (Affordable Housing); and

WHEREAS, Forest City and the City anticipate that Forest City will undertake pursuant to the DDA an obligation to construct Affordable Housing on the Project Site and an area of land in the vicinity of the Project Site and within Pier 70 commonly known as Parcel K South (Parcel K South) to satisfy the requirements for Affordable Housing under Proposition F; and

WHEREAS, At its hearing on August 24, 2017, and prior to recommending the proposed Planning Code amendments for approval, by Motion No. 19976, the Planning Commission certified a Final Environmental Impact Report (FEIR) for the Pier 70 Mixed-Use District Project (Project) pursuant to the California Environmental Quality Act (CEQA) (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code. A copy of said Motion is on file with the Clerk of the Board of Supervisors in File No. 170930, and, is incorporated herein by reference. In accordance with the actions contemplated herein, this Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the Planning Commission's certification of the FEIR, and finds that the actions contemplated herein are within the scope of the Project described and analyzed in the FEIR; and

WHEREAS, In recommending the proposed Planning Code Amendments for approval by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the Planning Commission also adopted findings under CEQA, including a statement of overriding consideration, and a Mitigation Monitoring and Reporting Program (MMRP). A copy of said Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930, and is incorporated herein by reference. This Board of Supervisors hereby adopts and incorporates by reference as though fully set forth herein the Planning Commission's CEQA approval findings, including the statement of overriding considerations. This Board of

Supervisors also adopts and incorporates by reference as though fully set forth herein the Project's MMRP; and

WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53369 (the IRFD Law), this Board of Supervisors is authorized to establish an infrastructure and revitalization financing district and to act as the legislative body for an infrastructure and revitalization financing district; and

WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of Supervisors wishes to establish an infrastructure and revitalization financing district on a portion of land within the City commonly known as the Hoedown Yard to finance the construction of Affordable Housing on the Project Site and Parcel K South to satisfy the requirements for Affordable Housing under Proposition F; and

WHEREAS, The IRFD Law provides that the legislative body of an infrastructure and revitalization financing district may, at any time, add territory to a district or amend the infrastructure financing plan for the district by conducting the same procedures for the formation of a district or approval of bonds as provided in the IRFD Law, and the Board of Supervisors wishes to establish the procedure for future annexation of certain additional land within the City, specifically certain land that is currently owned by the City that is used as a public; and

WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a proposed infrastructure and revitalization financing district may specify, by ordinance, the date on which the allocation of tax increment will begin, and the Board of Supervisors accordingly wishes to specify the date on which the allocation of tax increment will begin for the proposed infrastructure district; now, therefore, be it

RESOLVED, That this Board of Supervisors proposes to conduct proceedings to establish an infrastructure and revitalization financing district pursuant to the IRFD Law; and, be it

FURTHER RESOLVED, That the name proposed for the infrastructure and revitalization financing district is "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)" (the IRFD); and, be it

FURTHER RESOLVED, That the proposed boundaries of the IRFD are as shown on the map of the IRFD on file with the Clerk of the Board of Supervisors in File No. 170880, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars; and, be it

FURTHER RESOLVED, That the type of facilities proposed to be financed by the IRFD pursuant to the IRFD Law shall consist of Affordable Housing and related facilities to be located within the Project Site and Parcel K South, as more particularly described on Exhibit A hereto and hereby incorporated herein (the Facilities), and the Facilities are authorized to be financed by the IRFD by IRFD Law Sections 53369.2 and 53369.3, and the Board of Supervisors hereby finds each of the following: that the Facilities (i) are of communitywide significance, (ii) will not supplant facilities already available within the proposed boundaries of the IRFD, except for those that are essentially nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation, and (iii) will supplement existing facilities as needed to serve new developments; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant to the IRFD Law, incremental property tax revenue from the City to finance the Facilities, but no tax increment revenues from the other affected taxing entities (as defined in the IRFD Law) within the IRFD, if any, will be used by the IRFD to finance the Facilities, and the incremental

property tax financing will be described in an infrastructure financing plan (the Infrastructure Financing Plan) to be prepared for this Board of Supervisors under the IRFD Law; and, be it

FURTHER RESOLVED, That in accordance with IRFD Law Sections 53369.5(b) and 53369.14(d)(5), the Board of Supervisors shall establish, by ordinance, the date on which the allocation of tax increment shall begin for the IRFD (the Commencement Date), with the Commencement Date being the first day of the fiscal year following the fiscal year in which the IRFD has generated and the City has received at least $100,000 of tax increment; and, be it

FURTHER RESOLVED, That future annexations of property into the IRFD may occur at any time after formation of the IRFD, but only if the Board of Supervisors has completed the procedures set forth in the Infrastructure Financing Plan, which shall be based on the following: (i) this Board of Supervisors adopts a resolution of intention to annex property (the "annexation territory") into the IRFD and describes the annexation territory to be included in the IRFD, (ii) the resolution of intention is mailed to each owner of land in the annexation territory and each affected taxing entity in the annexation territory, if any, in substantial compliance with Sections 53369.11 and 53369.12 of the IRFD Law, (iii) this Board of Supervisors directs the Executive Director of the Port to prepare an amendment to the Infrastructure Financing Plan, if necessary, and the Executive Director of the Port prepares any such amendment, in substantial compliance with Sections 53369.13 and 53369.14 of the IRFD Law, (iv) any amendment to the Infrastructure Financing Plan is sent to each owner of land and each affected taxing entity (if any) within the annexation territory, in substantial compliance with Sections 53369.15 and 53369.16 of the IRFD Law, (v) this Board of Supervisors notices and holds a public hearing on the proposed annexation, in substantial compliance with Sections 53369.17 and 53369.18 of the IRFD Law, (vi) this Board of Supervisors adopts a resolution proposing the adoption of any amendment to the Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and

submits the proposed annexation to the qualified electors in the annexation territory, in substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot measure to include the questions of the proposed annexation of the annexation territory into the IRFD, approval of the appropriations limit for the annexation territory and approval of the issuance of bonds for the annexation territory, and (vii) after canvass of returns of any election, and if two-thirds of the votes cast upon the question are in favor of the ballot measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial compliance with Section 53369.23 of the IRFD Law; and, be it

FURTHER RESOLVED, That Tuesday, September 11, 2018 at 3:00 p.m. or as soon as possible thereafter, in the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the time and place when and where this Board of Supervisors, as legislative body for the IRFD, will conduct a public hearing on the proposed establishment of the IRFD and the proposed future annexation of territory to the IRFD; and, be it

FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed to mail a copy of this Resolution to each owner of land (as defined in the IRFD Law) within the IRFD (but not to any affected taxing entities because there are none as of the date of this Resolution), and in addition, in accordance with IRFD Law Section 53369.17, the Clerk of the Board of Supervisors is hereby directed to cause notice of the public hearing to be published not less than once a week for four successive weeks in a newspaper of general circulation published in the City, and the notice shall state that the IRFD will be used to finance affordable housing within in the City, briefly describe such affordable housing and the other Facilities, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed IRFD,

reference the process for future annexation and state the day, hour, and place when and where any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, may appear before this Board of Supervisors and object to the adoption of the proposed Infrastructure Financing Plan for the IRFD or process for future annexation to the IRFD by the Board of Supervisors; and, be it

FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of Supervisors to establish the IRFD, and the establishment of the IRFD shall be subject to the approval of this Board of Supervisors by resolution following the holding of the public hearing referred to above and a vote of the qualified electors in the IRFD; and, be it

FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this resolution, this Board of Supervisors hereby declaring that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it

FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of Public Finance, the Clerk of the Board of Supervisors, the Executive Director of the Port of San Francisco and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely

intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That this Resolution shall take effect upon its enactment. Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution unsigned or does not sign the resolution within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the resolution.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
MARK D. BLAKE
Deputy City Attorney

n:\port\as2018\1100292\01290495.docx

EXHIBIT A

DESCRIPTION OF FACILITIES

It is intended that the IRFD (including any annexation territory annexed therein by future annexations) will be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any facilities authorized by Section 53369.3 of the IRFD Law, including, but not limited to, affordable housing projects and supporting infrastructure and amenities.

City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170880 **Date Passed:** July 24, 2018

Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call a public hearing on September 11, 2018, on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

November 09, 2017 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

November 09, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 28, 2017 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - RE-REFERRED AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 12, 2018 Budget and Finance Sub-Committee - AMENDED

July 12, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

July 24, 2018 Board of Supervisors - ADOPTED

Ayes: 9 - Cohen, Brown, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee

Excused: 2 - Fewer and Tang

File No. 170880

I hereby certify that the foregoing Resolution was ADOPTED on 7/24/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

7/26/18
Date Approved

FILE NO. 170881 AMENDED IN COMMITTEE 7/12/18 RESOLUTION NO. 235-18

[Resolution Authorizing Executive Director of the Port of San Francisco to Prepare an Infrastructure Financing Plan - Infrastructure and Revitalization Financing District No.2 (Hoedown Yard, Pier 70)]

Resolution authorizing and directing the Executive Director of the Port of San Francisco, or designee thereof, to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~.

WHEREAS, Forest City Development California, Inc. (Forest City) and the City and County of San Francisco (the City), acting by and through the San Francisco Port Commission (the Port Commission), anticipate entering into a Disposition and Development Agreement (the DDA), which will govern the disposition and development of approximately 28 acres of land in the waterfront area of the City known as Pier 70 (the Project Site); and

WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the "Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation Initiative" (Proposition F), was approved by the voters in the City; and

WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the City, that the City encourage the timely development of the Project Site with a development project that includes certain major uses, including without limitation, new below market-rate homes affordable to middle- and low-income families and individuals, representing 30 percent of all new housing units (Affordable Housing); and

WHEREAS, Forest City and the City anticipate that Forest City will undertake pursuant to the DDA an obligation to construct Affordable Housing on the Project Site and an area of land in the vicinity of the Project Site and within Pier 70 commonly known as Parcel K South (Parcel K South) to satisfy the requirements for Affordable Housing under Proposition F; and

WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53369 (the IRFD Law), this Board of Supervisors is authorized to establish an infrastructure and revitalization financing district and to act as the legislative body for an infrastructure and revitalization financing district; and

WHEREAS, Section 53369.14(d)(5) of the IRFD Law provides that the legislative body of a proposed infrastructure and revitalization financing district may specify, by ordinance, the date on which the allocation of tax increment will begin, and the Board of Supervisors accordingly wishes to specify the date on which the allocation of tax increment will begin for the proposed infrastructure district; and

WHEREAS, On the date hereof, pursuant to the IRFD Law and a resolution entitled "Resolution of intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to call a public hearing on September 11, 2018 on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act" (the Resolution of Intention), this Board of Supervisors declared its intention to conduct proceedings to establish the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)" (the IRFD), pursuant to the IRFD Law; and

WHEREAS, The IRFD Law requires this Board of Supervisors, after adopting the Resolution of Intention, to designate and direct the City engineer or other appropriate official to prepare an infrastructure plan; now, therefore, be it

RESOLVED, That the Executive Director of the Port of San Francisco (Executive Director), or the designee of the Executive Director, is hereby authorized and directed to prepare, or cause to be prepared, a report in writing for the IRFD (the Infrastructure Financing Plan), which is consistent with the general plan of the City and includes all of the following:

(a) A map and legal description of the proposed IRFD.

(b) A description of the Affordable Housing and related facilities required to serve the development proposed in the area of the IRFD including those to be provided by the private sector, the Affordable Housing and related facilities to be provided by governmental entities without assistance under the IRFD Law, the Affordable Housing and related facilities to be financed with assistance from the proposed IRFD, and the Affordable Housing and related facilities to be provided jointly (the Facilities). The description shall include the proposed location, timing, and costs of the Facilities.

(c) A finding that the Facilities are of communitywide significance, are consistent with the authority reuse plan and will be approved by the military base reuse authority, if applicable, will not supplant facilities already available within the boundaries of the IRFD (except for those that are essentially nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation) and will supplement existing facilities as needed to serve new developments.

(d) A financing section, which shall contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the City and of each affected taxing entity (as defined in the IRFD Law) proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue;

provided however such portion of incremental tax revenue need not be the same for all affected taxing entities, and such portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the IRFD in each year during which the IRFD will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity proposed to be committed to the IRFD for each year. If applicable, the plan shall also include a specification of the maximum portion of the net available revenue of the City proposed to be committed to the IRFD for each year during which the IRFD will receive revenue, which portion may vary over time.

(3) A plan for financing the Facilities, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes that may be allocated to the IRFD pursuant to the plan.

(5) A date on which the IRFD will cease to exist, by which time all tax allocation to the IRFD will end. The date shall not be more than 40 years from the date on which the ordinance forming the IRFD is adopted, or a later date, if specified by the ordinance, on which the allocation of tax increment will begin.

(6) An analysis of the costs to the City of providing facilities and services to the IRFD while the area within the IRFD is being developed and after the area within the IRFD is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the IRFD.

(7) An analysis of the projected fiscal impact of the IRFD and the associated development upon each affected taxing entity that is proposed to participate in financing the IRFD.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the IRFD and qualifies for the Transit Priority Project Program, pursuant to Government Code Section 65470, including any permit and affordable housing expenses related to the project.

(9) If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or facilities construction within the area of the IRFD, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53369.6 of the IRFD Law.

This Board of Supervisors reserves the right to approve supplements or amendments to the Infrastructure Financing Plan in accordance with the IRFD Law; and, be it

FURTHER RESOLVED, That the Executive Director, or the designee of the Executive Director, shall send the Infrastructure Financing Plan to (i) the planning commission of the City, (ii) this Board of Supervisors, (iii) each owner of land within the proposed IRFD and (iv) each affected taxing entity (if any). The Executive Director, or the designee of the Executive Director, shall also send to the owners of land within the proposed IRFD and the affected taxing entities (if any) any report required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that pertains to the proposed Facilities or the proposed development project for which the Facilities are needed.

The Clerk of the Board of Supervisors shall make the Infrastructure Financing Plan available for public inspection; and, be it

FURTHER RESOLVED, That the Executive Director, or the designee of the Executive Director, shall consult with each affected taxing entity, and, at the request of any affected taxing entity, shall meet with representatives of the affected taxing entity; and, be it

FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution and incorporates the FEIR and the CEQA findings contained in Resolution No. 234-18 of this Board of Supervisors; and, be it

FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this resolution, this Board of Supervisors hereby declaring that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it

FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of Public Finance, the Clerk of the Board of Supervisors, the Executive Director and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution and provided that no such actions shall increase the risk to the City or require the City to spend any resources not otherwise granted herein; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
MARK D. BLAKE
Deputy City Attorney

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City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170881 **Date Passed:** July 24, 2018

Resolution authorizing and directing the Executive Director of the Port of San Francisco, or designee thereof, to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

November 09, 2017 Budget and Finance Committee - RECOMMENDED

November 28, 2017 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - RE-REFERRED AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 12, 2018 Budget and Finance Sub-Committee - AMENDED

July 12, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

July 24, 2018 Board of Supervisors - ADOPTED

Ayes: 9 - Cohen, Brown, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee

Excused: 2 - Fewer and Tang

File No. 170881

I hereby certify that the foregoing Resolution was ADOPTED on 7/24/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

7/26/18
Date Approved

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Motion No. 19976

HEARING DATE: AUGUST 24, 2017

Case No.:	**2014-001272ENV**
Project Title:	**Pier 70 Mixed-Use District Project**
Zoning:	M-2 (Heavy Industrial) and P (Public) 40-X and 65-X Height and Bulk Districts
Block/Lot:	Assessor's Block 4052/Lot 001, Block 4111/Lot 004 Block 4120/Lot 002, and Block 4110/Lots 001 and 008A
Project Sponsor:	David Beaupre/Port of San Francisco david.beaupre@sfport.com, (415) 274-0539 Kelly Pretzer/Forest City Development California, Inc. KellyPretzer@forestcity.net, (415) 593-4227
Staff Contact:	Melinda Hue – (415) 575-9041 melinda.hue@sfgov.org

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED PIER 70 MIXED-USE DISTRICT PROJECT.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final Environmental Impact Report identified as Case No. 2014-001272ENV, the "Pier 70 Mixed-Use District Project" (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, (hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").

   A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on May 6, 2015.

   B. The Department held a public scoping meeting on May 28, 2015 in order to solicit public comment on the scope of the Project's environmental review.

   C. On December 21, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning

Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

D. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site on December 21, 2016.

E. On December 21, 2016, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, and to government agencies, the latter both directly and through the State Clearinghouse.

F. A Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on December 21, 2016.

2. The Commission held a duly advertised public hearing on said DEIR on February 9, 2017 at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on February 21, 2017.

3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 60-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on August 9, 2017, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.

4. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.

5. Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.

6. On August 24, 2017, the Commission reviewed and considered the information contained in the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.

7. The Planning Commission hereby does find that the FEIR concerning File No. 2014-001272ENV reflects the independent judgement and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR that would require recirculation of the document pursuant to CEQA Guideline Section 15088.5, and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

8. The Commission, in certifying the completion of said FEIR, hereby does find that the project described in the EIR would have the following significant unavoidable environmental impacts, which cannot be mitigated to a level of insignificance:

   A. **TR-5:** The Proposed Project would cause the 48 Quintara/24th Street bus route to exceed 85 percent capacity utilization in the a.m. and p.m. peak hours in both the inbound and outbound directions.

   B. **TR-12:** The Proposed Project's loading demand during the peak loading hour would not be adequately accommodated by proposed on-site or off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles or pedestrians.

   C. **C-TR-4:** The Proposed Project would contribute considerably to significant cumulative transit impacts on the 48 Quintara/24th Street and 22 Fillmore bus routes.

   D. **NO-2:** Construction of the Proposed Project would cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.

   E. **NO-5:** Operation of the Proposed Project would cause substantial permanent increases in ambient noise levels along some roadway segments in the project site vicinity.

   F. **C-NO-2:** Operation of the Proposed Project, in combination with other cumulative development, would cause a substantial permanent increase in ambient noise levels in the project vicinity.

   G. **AQ-1:** Construction of the Proposed Project would generate fugitive dust and criteria air pollutants, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.

   H. **AQ-2:** At project build-out, the Proposed Project would result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.

   I. **C-AQ-1:** The Proposed Project, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative regional air quality impacts.

9. The Commission reviewed and considered the information contained in the FEIR prior to approving the Project.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of August 24, 2017.

Jonas P. Ionin
Commission Secretary

AYES: Hillis, Richards, Johnson, Koppel, Melgar, Moore

NOES: None

ABSENT: Fong

ADOPTED: August 24, 2017

SAN FRANCISCO
PLANNING DEPARTMENT

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Planning Commission Resolution No. 19978

HEARING DATE: AUGUST 24, 2017

Case No.:	**2014-001272GPA**
Project Name:	**Pier 70 Mixed-Use Project**
Existing Zoning:	M-2 (Heavy Industrial) Zoning District P (Public) Zoning District 40-X and 65-X Height and Bulk Districts
Block/Lot:	4052/001, 4110/001 and 008A, 4111/004, 4120/002,
Proposed Zoning:	Pier 70 Mixed-Use Zoning District 65-X and 90-X Height and Bulk Districts
Project Sponsor:	Port of San Francisco and Forest City Development California Inc.
Staff Contact:	Richard Sucre – (415) 575-9108 richard.sucre@sfgov.org

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AMENDMENTS TO MAP NO. 04 AND MAP NO. 05 OF THE URBAN DESIGN ELEMENT OF GENERAL PLAN AND THE LAND USE INDEX OF THE GENERAL PLAN TO PROVIDE REFERENCE TO THE PIER 70 MIXED-USE PROJECT SPECIAL USE DISTRICT, AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1, AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco provides to the Planning Commission the opportunity to periodically recommend General Plan Amendments to the Board of Supervisors; and

WHEREAS, pursuant to Planning Code Section 340(C), the Planning Commission ("Commission") initiated a General Plan Amendment for the Pier 70 Mixed-Use Project ("Project"), per Planning Commission Resolution No. 19949 on June 22, 2017.

WHEREAS, these General Plan Amendments would enable the Project. The Project includes new market-rate and affordable residential uses, commercial use, retail-arts-light industrial uses, parking, shoreline improvements, infrastructure development and street improvements, and public open space. Depending on the uses proposed, the Project would include between 1,645 to 3,025 residential units, a maximum of 1,102,250 to 2,262,350 gross square feet (gsf) of commercial-office use, and a maximum of 494,100 to 518,700 gsf of retail-light industrial-arts use. The Project also includes construction of transportation and circulation improvements, new and upgraded utilities and infrastructure, geotechnical and shoreline improvements, between 3,215 to 3,345 off-street parking spaces in proposed buildings and district parking structures, and nine acres of publicly-owned open space.

WHEREAS, the Project would construct new buildings that would range in height from 50 to 90 feet, as is consistent with Proposition F which was passed by the voters of San Francisco in November 2014.

WHEREAS, these General Plan Amendments would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 5 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element to reference the Pier 70 Mixed-Use Project Special Use District, as well as update and amend the Land Use Index of the General Plan accordingly.

WHEREAS, this Resolution approving these General Plan Amendments is a companion to other legislative approvals relating to the Pier 70 Mixed-Use Project, including recommendation of approval of Planning Code Text Amendments and Zoning Map Amendments, approval of the Pier 70 SUD Design for Development and recommendation for approval of the Development Agreement.

WHEREAS, on August 24, 2017, the Planning Commission reviewed and considered the Final EIR for the Pier 70 Mixed Project (FEIR) and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and approved the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

WHEREAS, on August 24, 2017, by Motion No. 19976, the Commission certified the Final Environmental Impact Report for the Pier 70 Mixed-Use Project as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA").

WHEREAS, on August 24, 2017, the Commission by Motion No. 19977 approved California Environmental Quality Act (CEQA) Findings, including adoption of a Mitigation Monitoring and Reporting Program (MMRP), under Case No. 2014-001272ENV, for approval of the Project, which findings are incorporated by reference as though fully set forth herein.

WHEREAS, the CEQA Findings included adoption of a Mitigation Monitoring and Reporting Program (MMRP) as Attachment B, which MMRP is hereby incorporated by reference as though fully set forth herein and which requirements are made conditions of this approval.

WHEREAS, on July 20, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on General Plan Amendment Application Case No. 2014-001272GPA. At the public hearing on July 20, 2017, the Commission continued the adoption of the General Plan Amendment Application to the public hearing on August 24, 2017.

WHEREAS, a draft ordinance, substantially in the form attached hereto as Exhibit A, approved as to form, would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 05 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element, and the Land Use Index of the General Plan.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby finds that the General Plan Amendments promote the public welfare, convenience and necessity for the following reasons:

1. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project development, thereby evolving currently under-utilized industrial land for needed housing, commercial space, and parks and open space.
2. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project, which in turn will provide employment opportunities for local residents during construction and post-occupancy, as well as community facilities and parks for new and existing residents.

3. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project by enabling the creation of a mixed-use and sustainable neighborhood, with fully rebuilt infrastructure. The new neighborhood would improve the site's multi-modal connectivity to and integration with the surrounding City fabric, and connect existing neighborhoods to the City's central waterfront.
4. The General Plan Amendments would enable the construction of a new vibrant, safe, and connected neighborhood, including new parks and open spaces. The General Plan Amendments would help ensure a vibrant neighborhood with active streets and open spaces, high quality and well-designed buildings, and thoughtful relationships between buildings and the public realm, including the waterfront.
5. The General Plan Amendments would enable construction of new housing, including new on-site affordable housing, and new arts, retail and manufacturing uses. These new uses would create a new mixed-use neighborhood that would strengthen and complement nearby neighborhoods.
6. The General Plan Amendments would facilitate the preservation and rehabilitation of portions of the Union Iron Works Historic District–an important historic resource listed in the National Register of Historic Places.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the General Plan, and the Project and its approvals associated therein, all as more particularly described in Exhibit A to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

HOUSING ELEMENT

OBJECTIVE 1
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

POLICY 1.8
Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

POLICY 1.10
Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a mixed-use development with between 1,645 and 3,025 dwelling units at full project build-out, which provides a wide range of housing options. As detailed in the Development Agreement, the Project exceeds the inclusionary affordable housing requirements

of the Planning Code, through a partnership between the developer and the City to reach a 30% affordable level.

OBJECTIVE 11
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.1
Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

POLICY 11.2
Ensure implementation of accepted design standards in project approvals.

POLICY 11.7
Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The Project, as described in the Development Agreement and controlled in the Design for Development (D4D), includes a program of substantial community benefits designed to revitalize a former industrial shipyard and complement the surrounding neighborhood. Through the standards and guidelines in the D4D, the Project would respect the character of existing historic resources, while providing for a distinctly new and unique design. The Project retains three historic resources (Buildings 2, 12 and 21) and preserves the character of the Union Iron Works Historic District by providing for compatible new construction.

OBJECTIVE 12
BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1
Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2
Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The Project appropriately balances housing with new and improved infrastructure and related public benefits.

The project site is located adjacent to a transit corridor, and is within proximity to major regional and local public transit. The Project includes incentives for the use of transit, walking and bicycling through its TDM program. In addition, the Project's streetscape design would enhance vehicular, bicycle and pedestrian access and connectivity through the site. The Project will establish a new bus line through the project site, and will provide an open-to-the-public shuttle.

Therefore, new residential and commercial buildings constructed as part of the Project would rely on transit use and environmentally sustainable patterns of movement.

The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline.

The Project includes substantial contributions related to quality of life elements such as open space, affordable housing, transportation improvements, childcare, schools, arts and cultural facilities and activities, workforce development, youth development, and historic preservation.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1
MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

POLICY 1.1
Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The Project is intended to provide a distinct mixed-use development with residential, office, retail, cultural, and open space uses. The Project would leverage the Project site's location on the Central Waterfront and close proximity to major regional and local public transit by building a dense mixed-use development that allows people to work and live close to transit. The Project's buildings would be developed in a manner that reflects the Project's unique location in a former industrial shipyard. The Project would incorporate varying heights, massing and scale, maintaining a strong streetwall along streets, and focused attention around public open spaces. The Project would create a balanced commercial center with a continuum of floorplate sizes for a range of users, substantial new on-site open space, and sufficient density to support and activate the new active ground floor uses and open space in the Project.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project would also construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents. The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that could accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between, and cross-activation of, interior and exterior spaces.

OBJECTIVE 2
MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1
Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

See above (Commerce and Industry Element Objective 1 and Policy 1.1) which explain the Project's contribution to the City's overall economic vitality.

OBJECTIVE 3
PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.2
Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project will provide expanded employment opportunities for City residents at all employment levels, both during and after construction. The Development Agreement, as part of the extensive community benefit programs, includes focused workforce first source hiring – both construction and end-user – as well as a local business enterprise component.

TRANSPORTATION ELEMENT

OBJECTIVE 2
USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

POLICY 2.1
Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

POLICY 2.5
Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Project is located within a former industrial shipyard, and will provide new local, regional, and statewide transportation services. The Project is located in close proximity to the Caltrain Station on 22nd Street, and the Muni T-Line along 3rd Street. The Project includes a detailed TDM program, including various performance measures, physical improvements and monitoring and enforcement measures designed to create incentives for transit and other alternative to the single occupancy vehicle for both residential and commercial buildings. In addition, the Project's design, including its streetscape elements, is intended to promote and enhance walking and bicycling.

OBJECTIVE 23

IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1
Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2
Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested, where sidewalks are less than adequately wide to provide appropriate pedestrian amenities, or where residential densities are high.

POLICY 23.6
Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

The Project will re-establish a street network on the project site, and will provide pedestrian improvements and streetscape enhancement measures as described in the D4D and reflected in the mitigation measures and Transportation Plan in the Development Agreement. The Project would establish 21st Street (between the existing 20th and 22nd Streets) and Maryland Street, which would function as a main north-south thoroughfare through the project site. Each of the new streets would have sidewalks and streetscape improvements as is consistent with the Better Streets Plan.

URBAN DESIGN ELEMENT

OBJECTIVE 1
EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1
Recognize and protect major views in the city, with particular attention to those of open space and water.

As explained in the D4D, the Project uses a mix of scales and interior and exterior spaces, with this basic massing further articulated through carving and shaping the buildings to create views and variety on the project site, as well as pedestrian-friendly, engaging spaces on the ground. The Project maintains and opens view corridors to the waterfront.

POLICY 1.2
Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

POLICY 1.3
Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

The Project would re-establish the City's street pattern on the project site, and would construct new buildings, which would range in height from 50 and 90 feet. These new buildings would be viewed in conjunction with the three existing historic resources (Buildings 2, 12 and 21) on the project site, and the larger Union Iron Works Historic District. The Project would include new construction, which is sensitive to the existing historic context, and would be compatible, yet differentiated, from the historic district's character-defining features. The Project is envisioned as an extension of the Central Waterfront and Dogpatch neighborhoods.

OBJECTIVE 2
CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.4
Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5
Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

The Project would revitalize a portion of a former industrial shipyard, and would preserve and rehabilitate important historic resources, including Buildings 2, 12 and 21, which contribute to the Union Iron Works Historic District, which is listed in the National Register of Historic Places. New construction would be designed to be compatible, yet differentiated, with the existing historic context.

RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 1
ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM.

POLICY 1.1
Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate.

POLICY 1.7
Support public art as an essential component of open space design.

The Project would build a network of waterfront parks, playgrounds and recreational facilities on the 28-Acre Site that, with development of the Illinois Street Parcels, will more than triple the amount of parks in the neighborhood. The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline. In addition, the Project would provide new private open space for each of the new dwelling units.

POLICY 1.12
Preserve historic and culturally significant landscapes, sites, structures, buildings and objects.

See Discussion in Urban Element Objective 2, Policy 2.4 and 2.5.

OBJECTIVE 3
IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE.

POLICY 3.1
Creatively develop existing publicly-owned right-of-ways and streets into open space.

The Project provides nine acres of new public open space and opens up new connections to the shoreline in the Central Waterfront neighborhood. The Project would encourage non-automobile transportation to and from open spaces, and would ensure physical accessibility these open spaces to the extent feasible.

CENTRAL WATERFRONT AREA PLAN
Objectives and Policies

Land Use

OBJECTIVE 1.1
ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD.

POLICY 1.1.2
Revise land use controls in formerly industrial areas outside the core Central Waterfront industrial area, to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development, while protecting against the wholesale displacement of PDR uses.

POLICY 1.1.7
Ensure that future development of the Port's Pier 70 Mixed Use Opportunity Site supports the Port's revenue-raising goals while remaining complementary to the maritime and industrial nature of the area.

POLICY 1.1.10
While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

POLICY 1.2.1
Ensure that infill housing development is compatible with its surroundings.

POLICY 1.2.2
For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require housing development over commercial. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

POLICY 1.2.3
In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

POLICY 1.2.4
Identify portions of Central Waterfront where it would be appropriate to increase maximum heights for residential development.

OBJECTIVE 1.4
SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF THE CENTRAL WATERFRONT.

POLICY 1.4.1
Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of the Central Waterfront.

POLICY 1.4.3
Allow other Knowledge Sector office uses in portions of the Central Waterfront where it is appropriate.

OBJECTIVE 1.7
RETAIN THE CENTRAL WATERFRONT'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES

POLICY 1.7.3
Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

Housing

OBJECTIVE 2.1
ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE CENTRAL WATERFRONT IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

POLICY 2.1.1
Require developers in some formally industrial areas to contribute towards the City's very low, low, moderate and middle income needs as identified in the Housing Element of the General Plan.

OBJECTIVE 2.3
REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS.

POLICY 2.3.1
Target the provision of affordable units for families.

POLICY 2.3.2
Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.

POLICY 2.3.3
Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments.

POLICY 2.3.4
Encourage the creation of family supportive services, such as child care facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.

Built Form

OBJECTIVE 3.1
PROMOTE AN URBAN FORM THAT REINFORCES THE CENTRAL WATERFRONT'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

POLICY 3.1.1
Adopt heights that are appropriate for the Central Waterfront's location in the city, the prevailing street and block pattern, and the anticipated land uses, while producing buildings compatible with the neighborhood's character.

POLICY 3.1.2
Development should step down in height as it approaches the Bay to reinforce the city's natural topography and to encourage and active and public waterfront.

POLICY 3.1.6
New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

POLICY 3.1.9

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

OBJECTIVE 3.2
PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

POLICY 3.2.1
Require high quality design of street-facing building exteriors.

POLICY 3.2.2
Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

POLICY 3.2.5
Building form should celebrate corner locations.

OBJECTIVE 3.3
PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA

POLICY 3.3.1
Require new development to adhere to a new performance-based ecological evaluation tool to improve the amount and quality of green landscaping.

POLICY 3.3.3
Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

Transportation

OBJECTIVE 4.1
IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN CENTRAL WATERFRONT

POLICY 4.1.4
Reduce existing curb cuts where possible and restrict new curb cuts to prevent vehicular conflicts with transit on important transit and neighborhood commercial streets.

POLICY 4.1.6
Improve public transit in the Central Waterfront including cross-town routes and connections the 22nd Street Caltrain Station and Third Street Light Rail.

OBJECTIVE 4.3
ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

POLICY 4.3.1
For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.

POLICY 4.3.2
For new non-residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing caps generally equal to the previous minimum requirements. For office uses limit parking relative to transit accessibility.

OBJECTIVE 4.4
SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR AND MARITIME USES IN THE CENTRAL WATERFRONT

POLICY 4.4.3
In areas with a significant number of PDR establishments and particularly along Illinois Street, design streets to serve the needs and access requirements of trucks while maintaining a safe pedestrian and bicycle environment.

OBJECTIVE 4.5
CONSIDER THE STREET NETWORK IN CENTRAL WATERFRONT AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE

POLICY 4.5.2
As part of a development project's open space requirement, require publicly-accessible alleys that break up the scale of large developments and allow additional access to buildings in the project.

POLICY 4.5.4
Extend and rebuild the street grid, especially in the direction of the Bay.

OBJECTIVE 4.7
IMPROVE AND EXPAND INFRASTRUCTURE FOR BICYCLING AS AN IMPORTANT MODE OF TRANSPORTATION

POLICY 4.7.1
Provide a continuous network of safe, convenient and attractive bicycle facilities connecting Central Waterfront to the citywide bicycle network and conforming to the San Francisco Bicycle Plan.

POLICY 4.7.2
Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

POLICY 4.7.3
Support the establishment of the Blue-Greenway by including safe, quality pedestrian and bicycle connections from Central Waterfront.

Streets & Open Space

OBJECTIVE 5.1
PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS

POLICY 5.1.1
Identify opportunities to create new public open spaces and provide at least one new public open space serving the Central Waterfront.

POLICY 5.1.2
Require new residential and commercial development to provide, or contribute to the creation of public open space.

OBJECTIVE 5.4
THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

POLICY 5.4.1
Increase the environmental sustainability of Central Waterfronts system of public and private open spaces by improving the ecological functioning of all open space.

POLICY 5.4.3
Encourage public art in existing and proposed open spaces.

Historic Preservation

OBJECTIVE 8.2
PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.2.2
Apply the Secretary of the Interior's Standards for the Treatment of Historic Properties in conjunction with the Central Waterfront area plan and objectives for all projects involving historic or cultural resources.

OBJECTIVE 8.3
ENSURE THAT HISTORIC PRESERVATION CONCERNS CONTINUE TO BE AN INTEGRAL PART OF THE ONGOING PLANNING PROCESSES FOR THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.3.1
Pursue and encourage opportunities, consistent with the objectives of historic preservation, to increase the supply of affordable housing within the Central Waterfront plan area.

The Central Waterfront Area Plan anticipated a new mixed-use development at Pier 70. The Project is consistent with the objectives and policies of the Central Waterfront Plan, since the Project adaptively reuses a portion of a former industrial shipyard and provides a new mixed-use development with substantial community benefits, including nine acres of public open space, new streets and streetscape improvements, on-site affordable housing, rehabilitation of three historic buildings, and new arts, retail and light manufacturing uses. New construction will be appropriately designed to fit within the context of the Union Iron Works Historic District. In addition, the Project includes substantial transit and infrastructure improvements, including new on-site TDM program, facilities for a new public line through the project site, and a new open-to-the public shuttle service.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the Planning Code Section 101.1, and the Project and its approvals associated therein, all as more particularly described in Exhibit B to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

1) *That existing neighbor-serving retail uses will be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced;*

No neighborhood-serving retail uses are present on the Project site. Once constructed, the Project will contain major new retail, arts and light industrial uses that will provide opportunities for employment and ownership of retail businesses in the community. These new uses will serve nearby residents and the surrounding community. In addition, building tenants will patronize existing retail uses in the community (along 3rd Street and in nearby Dogpatch), thus enhancing the local retail economy. The Development Agreement includes commitments related to local hiring.

2) *That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;*

No existing housing will be removed for the construction of the Project, which will provide at full build-out between 1,645 and 3,025 new residential units. The Project is designed to revitalize a former industrial site and provide a varied land use program that is consistent with the surrounding Central Waterfront and Dogpatch neighborhoods, and the historic context of the Union Iron Works Historic District, which is listed in the National Register of Historic Places. The Project provides a new neighborhood complete with residential, office, retail, arts, and light manufacturing uses, along with new transit and street infrastructure, and public open space. The Project design is consistent with the historic context, and provides a desirable, pedestrian-friendly experience with interactive and engaged ground floors. Thus, the Project would preserve and contribute to housing within the surrounding neighborhood and the larger City, and would otherwise preserve and be consistent with the neighborhood's industrial context.

3) *That the City's supply of affordable housing be preserved and enhanced;*

The construction of the Project will not remove any residential uses, since none exist on the project site. The Project will enhance the City's supply of affordable housing through its affordable housing commitments in the Development Agreement, which will result in total of 30% on-site affordable housing units.

4) *That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;*

The Project would not impede transit service or overburden streets and neighborhood parking. The Project includes a robust transportation program with an on-site Transportation Demand Management (TDM) program, facilities to support a new bus line through the project site, an open-to-the-public shuttle service, and funding for new neighborhood-supporting transportation infrastructure.

The Project is also well served by public transit. The Project is located within close proximity to the MUNI T-Line Station along 3rd Street and the bus routes, which pick-up/drop-off at 20th and 3rd, and 23rd and 3rd Streets. In addition, the Project is located within walking distance to the 22nd Street Caltrain Station. Future residents would be afforded close proximity to bus or rail transit.

Lastly, the Project contains new space for vehicle parking to serve new parking demand. This will ensure that sufficient parking capacity is available so that the Project would not overburden neighborhood parking, while still implementing a rigorous TDM Plan to be consistent with the City's "transit first" policy for promoting transit over personal vehicle trips.

5) *That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;*

Although the Project would displace portions of an industrial use historically associated with the Bethlehem Steel and/or Union Iron Works, the Project provides a strong and diverse economic base by the varied land use program, which includes new commercial office, retail, arts, and light industrial uses. The Project balances between residential, non-residential and PDR (Production, Distribution and Repair) uses. Across the larger site at Pier 70 (outside of the project site), the Port of San Francisco has maintained the industrial shipyard operations (currently under lease by BAE). On the 28-Acre site, the Project includes light manufacturing and arts uses, in order to diversify the mix of goods and services within the

project site. The Project also includes a large workforce development program and protections for existing tenants/artists within the Noonan Building. All of these new uses will provide future opportunities for service-sector employment.

6) *That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;*

The Project will comply with all current structural and seismic requirements under the San Francisco Building Code and the Port of San Francisco.

7) *That landmarks and historic buildings be preserved;*

The Project would preserve and rehabilitate a portion of the Union Iron Works Historic District and three of its contributing resources: Buildings 2, 12 and 21. In addition, the Project includes standards and guidelines for new construction adjacent to and within the Union Iron Works Historic District, which is listed in the National Register of Historic Places. These standards and guidelines ensure compatibility of new construction with the character-defining features of the Union Iron Works Historic District, as guided by the Secretary of the Interior's Standards for the Treatment of Historic Properties. In addition, the Project preserves and provides access to an important cultural relic, Irish Hill, which has been identified as an important resource to the surrounding community.

8) *That our parks and open space and their access to sunlight and vistas be protected from development.*

The Project will improve access to the shoreline within the Central Waterfront neighborhood, and will provide 9-acres of new public open space. The Project will not affect any of the City's existing parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

AND BE IT FURTHER RESOLVED, that pursuant to Planning Code Section 340, the Commission recommends to the Board of Supervisors **APPROVAL** of the aforementioned General Plan Amendments. This approval is contingent on, and will be of no further force and effect until the date that the San Francisco Board of Supervisor has approved by resolution approving the Zoning Map Amendment, Planning Code Text Amendment, and Development Agreement.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on August 24, 2017.

Jonas P. Ionin
Commission Secretary

AYES:	Hillis, Johnson, Koppel, Melgar, Moore and Richards
NAYES:	None
ABSENT:	Fong
ADOPTED:	August 24, 2017

OFFICE OF THE MAYOR
SAN FRANCISCO

LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor London Breed
RE: Resolution Proposing Adoption of Infrastructure Financing Plan -- Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)
DATE: July 24, 2018

Resolution proposing adoption of infrastructure financing plan and formation of City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); providing for future annexation; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

Should you have any questions, please contact Andres Power 554-6467.

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1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

OFFICE OF THE MAYOR
SAN FRANCISCO

LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor London Breed LBC
RE: Substitute (File No. 180779) Resolution Proposing Adoption of Infrastructure Financing Plan -- Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)
DATE: September 4, 2018

Resolution proposing adoption of infrastructure financing plan and formation of City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); providing for future annexation; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

Should you have any questions, please contact Kanishka Karunaratne Cheng 554-6696.

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