



CENTRAL SOMA

PLAN & IMPLEMENTATION STRATEGY

Capital Planning Committee
June 4, 2018

AGENDA

- **Central SoMa Plan Overview**
- **Central SoMa Public Benefits Program**
- **Central SoMa Special Tax District**
- **Legislative Process**

ACTIONS BEFORE THE CPC

- **Recommend Approval of Ordinance to amend the Special Tax Financing Law**
- **Recommend Approval of Resolution of Intent to establish Central SoMa Special Tax District**
- **Recommend Approval of Resolution of Intent to incur Bonded Indebtedness in an Amount Not to Exceed \$5.3bn**

An aerial photograph of a dense urban area in San Francisco, featuring a mix of high-rise and mid-rise buildings, streets, and green spaces. The entire image is overlaid with a semi-transparent red filter. The text "PLAN OVERVIEW" is centered in the lower half of the image in a large, white, sans-serif font.

PLAN OVERVIEW

PLAN SUMMARY

Vision

A sustainable neighborhood

Philosophy

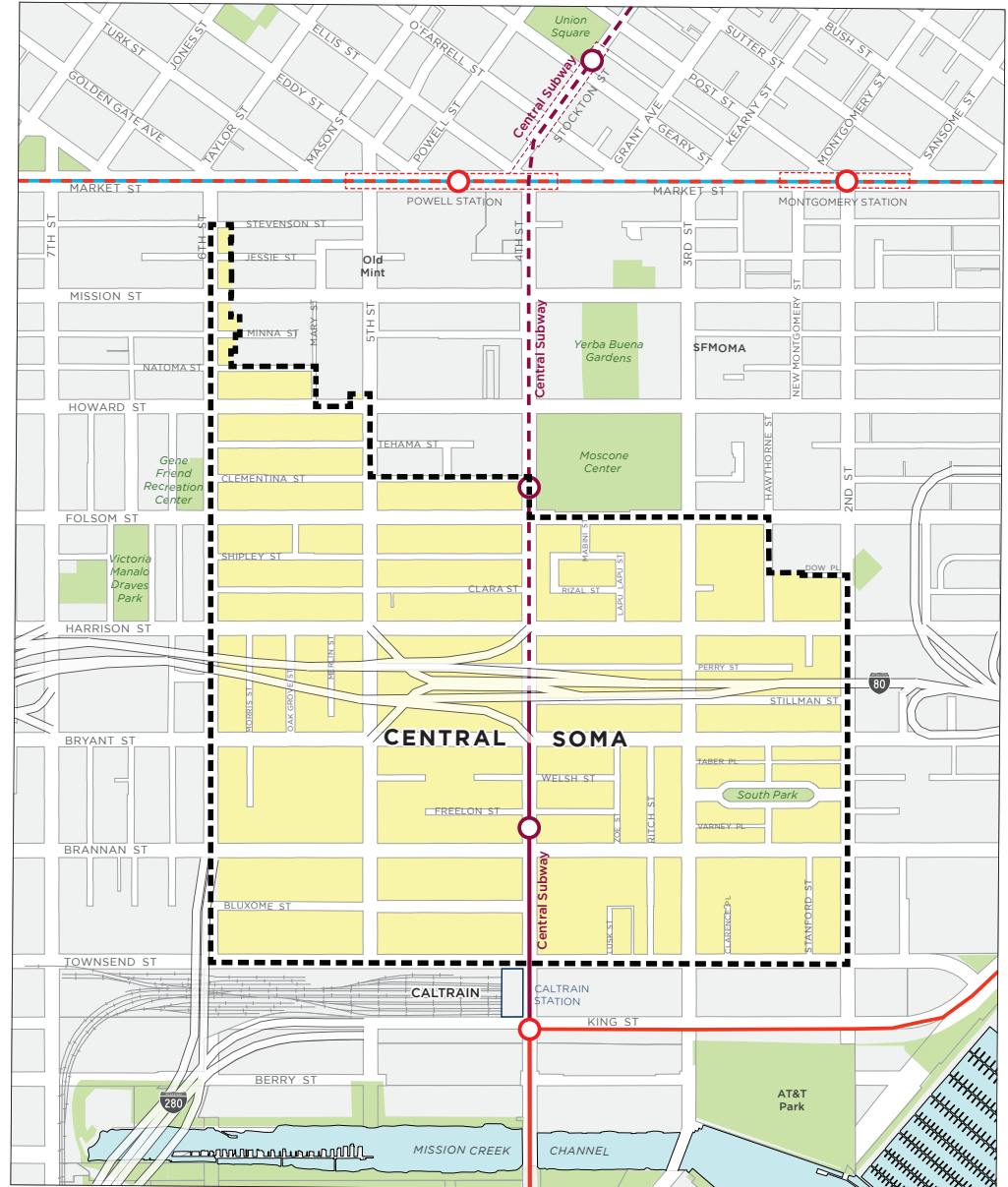
Keep what's great,
fix what's not

Strategy

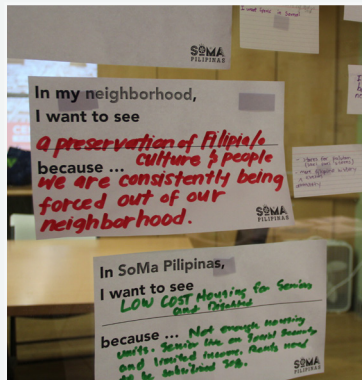
- Accommodate demand
- Provide public benefits
- Respect and enhance neighborhood character

PLAN AREA

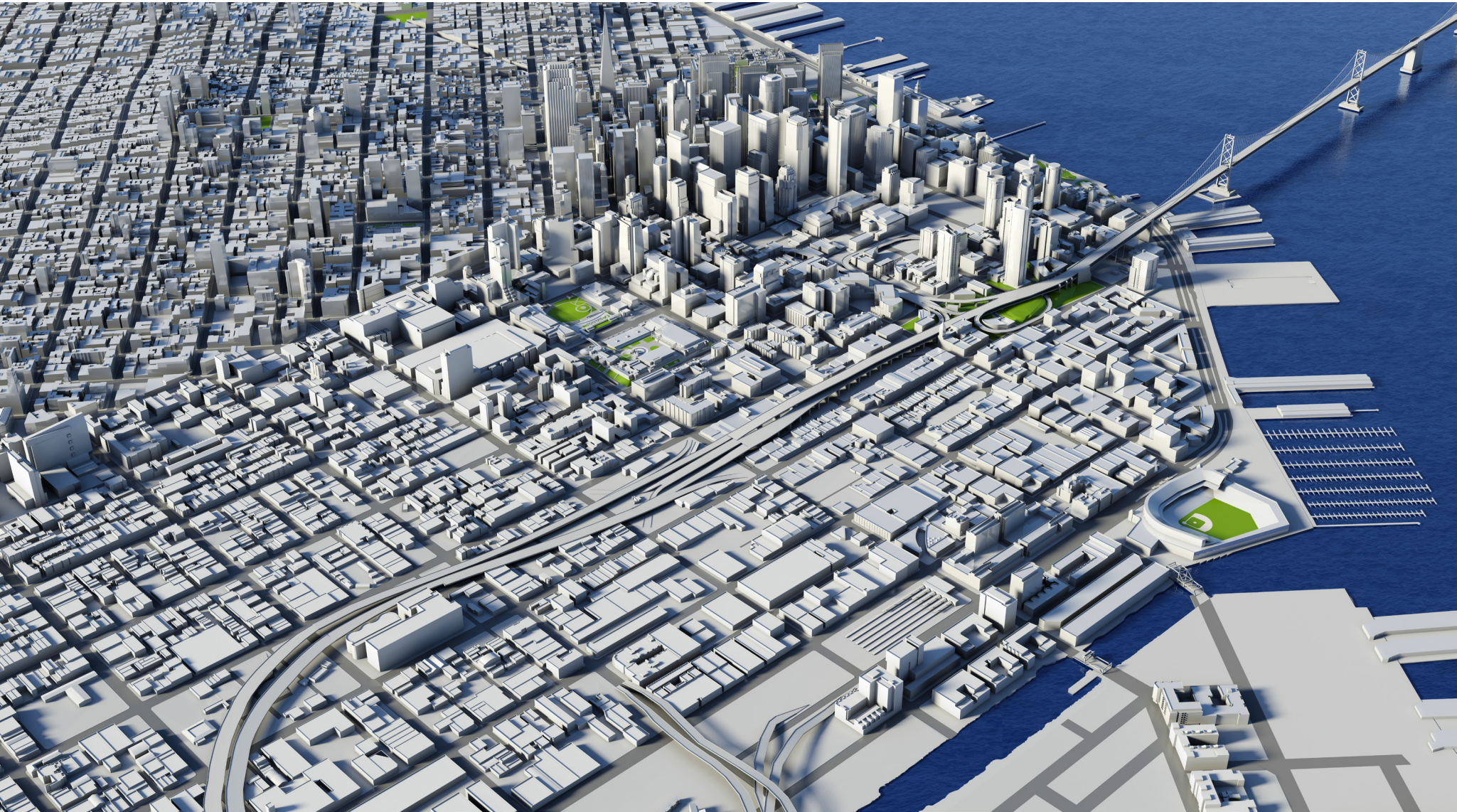
- Central Subway under construction, expected to open in 2019
- BART/Muni Metro Subway
- Muni Metro (Surface)



PROCESS – OUTREACH



VISUALIZATION - EXISTING DEVELOPMENT



3-D Model of Existing Buildings (2016)

Digital Model by Skidmore, Owings, & Merrill

VISUALIZATION - POTENTIAL DEVELOPMENT

- Central SoMa Development Potential
- Anticipated Projects Outside of Central SoMa



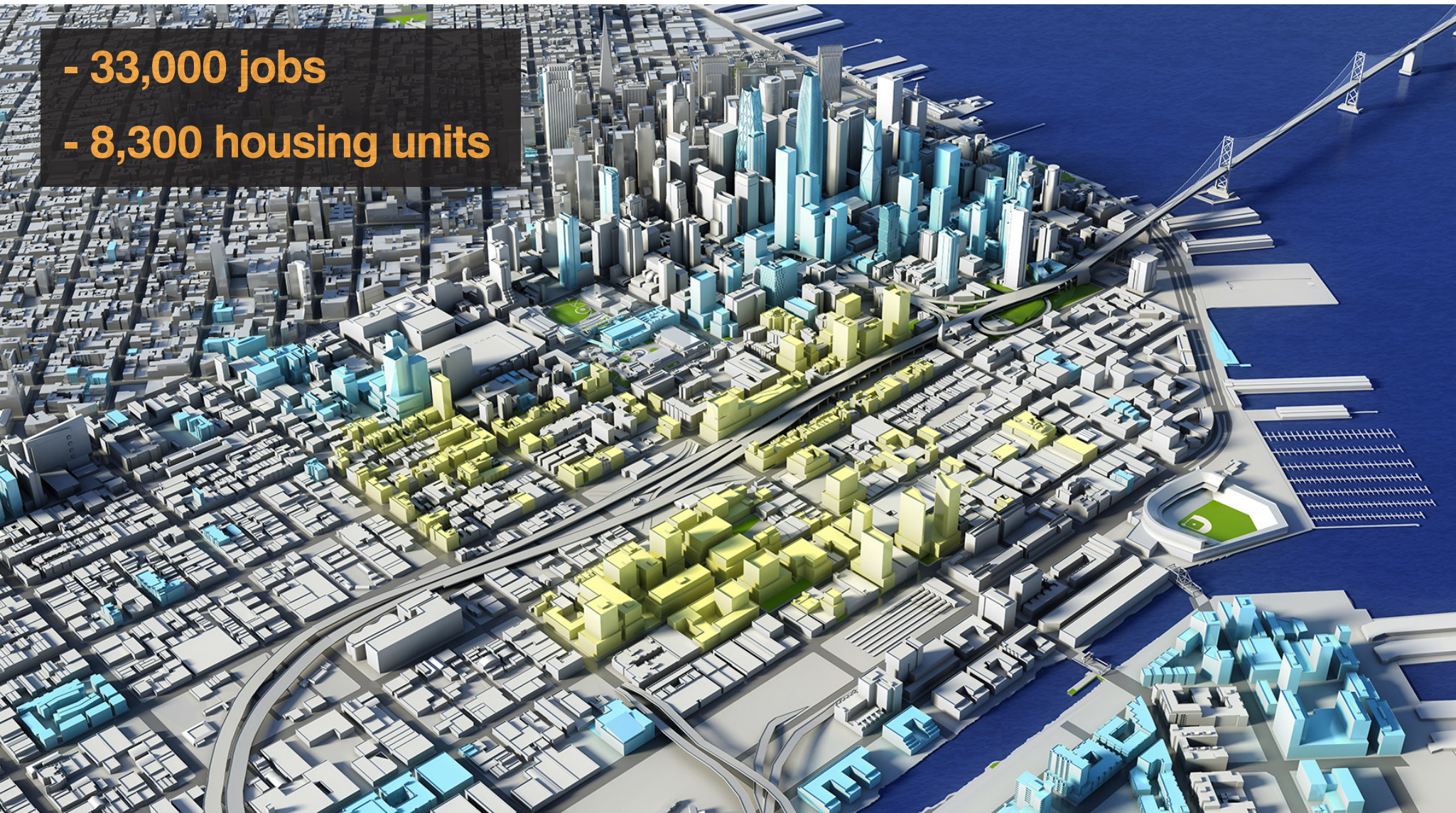
3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill

VISUALIZATION - POTENTIAL DEVELOPMENT

- 33,000 jobs
- 8,300 housing units

- Central SoMa Development Potential
- Anticipated Projects Outside of Central SoMa



3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill

An aerial photograph of a dense urban area in San Francisco, featuring numerous high-rise buildings, streets, and a central park area. The entire image is overlaid with a semi-transparent red filter. The text "PUBLIC BENEFITS PROGRAM" is centered in the lower half of the image in a large, white, sans-serif font.

PUBLIC BENEFITS PROGRAM

PUBLIC BENEFITS: TOTAL (25 YEARS; 2017 DOLLARS)

No Plan = \$500 million in Public Benefits

Central SoMa Plan = \$2.16 Billion in Public Benefits

**400% increase due
to the Plan**

**Plus ~\$1 billion in
increased General
Fund tax revenues**

PUBLIC BENEFITS VS BOND CAPACITY

- **Public benefits package: \$2.16 billion (\$354mn in CFD funding)**
 - Based on 25 years of funding, using 2017 dollars
 - Assumes 75% development capacity build out
- **Not-to-Exceed Bond amount: \$5.3 billion**
 - Total bonding capacity over 99-year term
 - Assumes 100% development capacity build out









PUBLIC BENEFITS: FUNDING SOURCES (25 YEARS; 2017 DOLLARS)

FUNDING SOURCE	AMOUNT
Central SoMa Special Tax District (<i>NEW</i>)	\$354 million
Eastern Neighborhoods Infrastructure Fee	\$240 million
Transportation Sustainability Fee	\$220 million
Jobs-Housing Linkage Fee	\$210 million
Affordable Housing Fee	\$180 million
Central SoMa Infrastructure Fee (<i>NEW</i>)	\$40 million
School Impact Fee	\$26 million
Child Care Fee	\$32 million
Central SoMa Community Facilities Fee (<i>NEW</i>)	\$20 million
Direct provision of benefits (e.g. on-site BMR units)	\$836 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents 25 years of revenues (the estimated time to Plan build out).

PUBLIC BENEFITS (25 YEARS; 2017 DOLLARS)

REVENUES

	PUBLIC BENEFIT	TOTAL	CFD-FUNDED
	Affordable Housing	\$940 million	\$0
	Transit	\$500 million	\$160 million
	Parks & Recreation	\$185 million	\$45 million
	Production, Distribution, & Repair (including Arts)	\$180 million	\$0
	Complete Streets	\$110 million	\$10 million
	Cultural Preservation & Community Services	\$109 million	\$69 million
	Environmental Sustainability	\$70 million	\$64 million
	Schools & Childcare	\$64 million	\$6 million
	TOTAL	\$2.16 billion	\$354 million

NOTE: Public benefits package represents 25 years of revenues (the estimated time to Plan build out).

An aerial photograph of the San Francisco SOMA district, featuring a dense grid of buildings and streets. A large, open green space is visible in the center. The entire image is overlaid with a semi-transparent red filter.

CENTRAL SOMA SPECIAL TAX DISTRICT

TAX APPLICABILITY

- **Applies to large Condo and Non-Residential projects**
 - Annexation required before 1st Certificate of Occupancy (COO)
 - Tax levy commences at 1st COO
 - City can prosecute foreclosure in event of non-payment, ahead of private loans
- **Exemptions:**
 - Affordable housing & BMR units; Rental housing; Production, Distribution & Repair (PDR) uses; Community Facilities

TAX RATES (FY2018-19 RATES)

BEFORE TRANSITION EVENT

	TIER A (15-45' height increase)	TIER B (50-85' height increase)	TIER C (90'+ height increase)
NON-RESIDENTIAL	\$0	\$0	\$2.75
FOR-SALE RESIDENTIAL	\$0	\$3.30	\$5.50

AFTER TRANSITION EVENT

	TIER A	TIER B	TIER C
NON-RESIDENTIAL	\$0	\$0	\$0.69
FOR-SALE RESIDENTIAL	\$0	\$0.82	\$1.37

CENTRAL SOMA FEE TIERS



TAX ESCALATION

- **Years 1-99: Before Transition Event (Facilities Tax)¹**
 - Base Rate escalation: 2% annually before annexation
 - Annual escalation (beginning at COO):
 - » Nonresidential: 4% for 25 yrs after 1st levy; 2% thereafter
 - » Residential: 2%
- **Years 100+: After Transition Event (Services Tax only)**
 - Facilities tax sunsets, services tax kicks in (rate = ~25% of facilities tax)
 - Escalation is indexed by lesser of CPI or 5%

¹ Could include facilities or services expenditures.

FUTURE ANNEXATION MAP

PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2018-1 (CENTRAL SOMA) STATE OF CALIFORNIA

1. FILED IN THE OFFICE OF THE CLERK OF THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO THIS _____ DAY OF _____, 2018.

ANGELA CALVILLO
CLERK OF THE BOARD OF SUPERVISORS

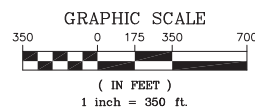
2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2018-1 (CENTRAL SOMA), STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2018, BY ITS RESOLUTION NO. _____.

ANGELA CALVILLO
CLERK OF THE BOARD OF SUPERVISORS

2. FILED THIS _____ DAY OF _____, 2018, AT THE HOUR OF _____ O'CLOCK _____ M., IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY ASSESSOR-RECORDER IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

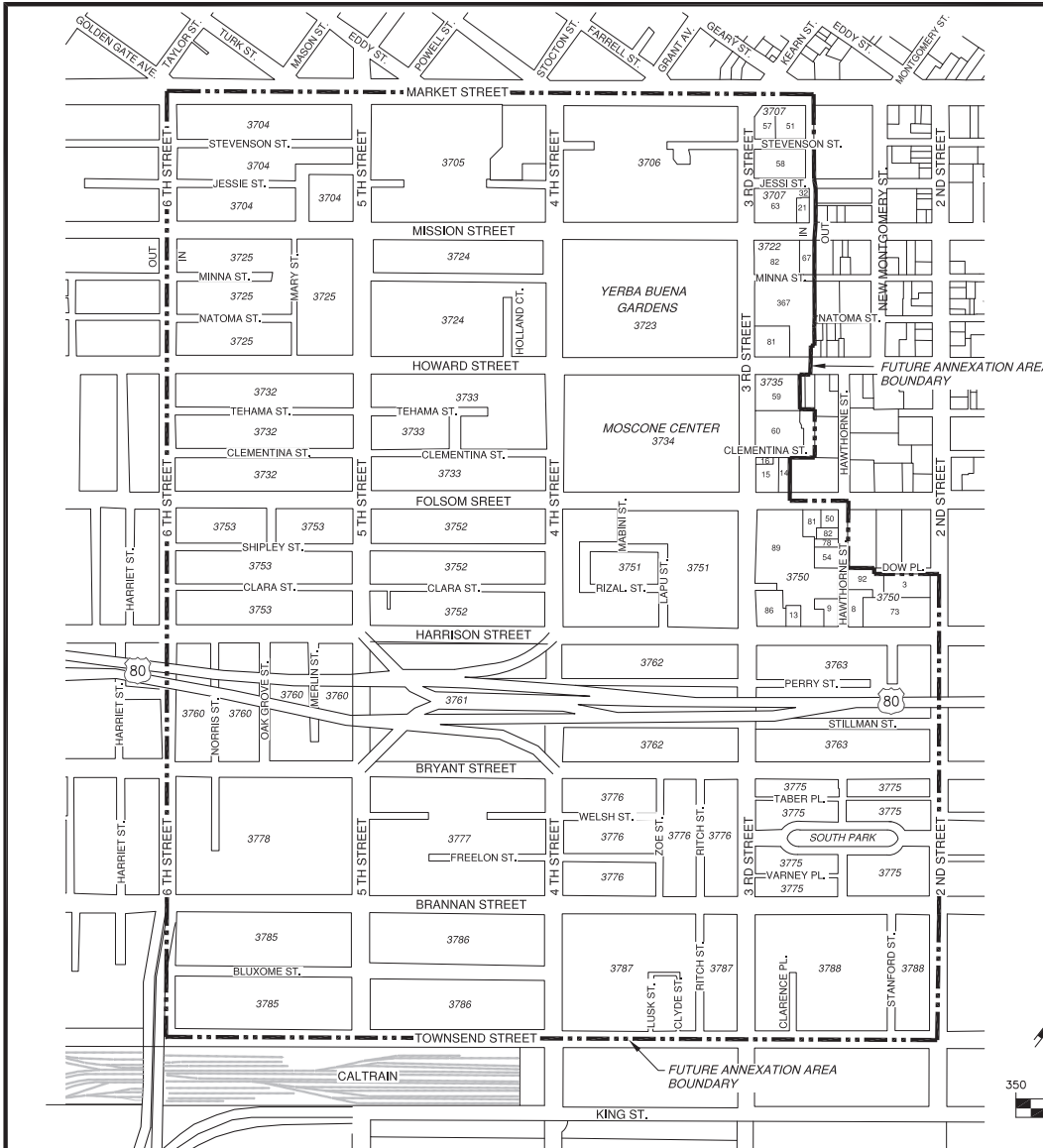
CARMEN CHU
ASSESSOR-RECORDER
CITY AND COUNTY OF SAN FRANCISCO

FUTURE ANNEXATION AREA:
CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2018-1 (CENTRAL SOMA) (THE "SPECIAL TAX DISTRICT") INITIALLY CONSISTS SOLELY OF TERRITORY PROPOSED FOR ANNEXATION TO THE SPECIAL TAX DISTRICT IN THE FUTURE. UPON RECORDATION OF A NOTICE OF SPECIAL TAX LIEN PURSUANT TO SECTION 3114.5 OF THE STREETS AND HIGHWAYS CODE OF THE STATE OF CALIFORNIA, A CONTINUING LIEN TO SECURE THE LEVY OF A SPECIAL TAX WILL ATTACH TO ALL NONEXEMPT REAL PROPERTY IN THE SPECIAL TAX DISTRICT.









LEGEND

--- FUTURE ANNEXATION AREA
3740 ASSESSORS BLOCK NUMBER
34 ASSESSORS LOT NUMBER



25-YEAR EXPENDITURE PLAN (2017 DOLLARS)

	Transit	\$160 million
	Parks & Recreation	\$45 million
	Complete Streets	\$10 million
	Cultural Preservation & Community Services	\$69 million
	Environmental Sustainability	\$64 million
	Schools & Childcare	\$6 million
	TOTAL	\$354 million

- Longer term needs could include, but are not limited to Sea Level Rise adaptation and maintenance of capital facilities

ADMINISTRATION ENTITIES

- **Capital Planning Committee**
 - Approve 5-year expenditure plan
 - Recommend changes in revenue allocation
- **Director of Public Finance**
 - Develop 5-year revenue forecast
 - Authorize tax commencement
 - Authorize bond issuance (subject to Board approval)
- **Interagency Plan Implementation Committee (IPIC)**
 - Develop 5-year Expenditure Plan
 - Advisor to CPC & Director of Public Finance

COLLABORATION

- **Community Advisory Committees (CACs)**
 - Provide public oversight
 - Proposed new SoMa CAC (Supervisor Kim)
- **Joint Community Facilities Agreements (JCFAs)**
 - Will be required for non-City agencies receiving tax revenues
 - Regional transit providers (1/3 of transportation funding) will collaborate with City through IPIC and Mayor/Board

An aerial photograph of a dense urban area in San Francisco, featuring numerous high-rise buildings, streets, and a central park area. The entire image is overlaid with a semi-transparent red filter. The text "LEGISLATIVE PROCESS" is centered in the lower half of the image in a large, white, sans-serif font.

LEGISLATIVE PROCESS

CENTRAL SOMA SPECIAL TAX DISTRICT LEGISLATION

- **Ordinance to Amend Special Tax Financing Law** so that the ROIs may include the following eligible facilities and services:
 - Grants to nonprofit/public social service organizations
 - Environmental sustainability, including sea level rise adaptation and air quality mitigation
 - Park programming and activation
- **Resolution of Intention to Establish Central SoMa Special Tax District**
- **Resolution of Intention to Incur Bonded Indebtedness Not To Exceed \$5.3 billion**

TIMELINE (SUBJECT TO CHANGE)

- **Central SoMa Plan Adoption**
 - 5/10/18: Plan was unanimously adopted at Planning Commission & EIR was certified
 - 6/26/18: Land Use Committee
 - 6/28/18: Rules Committee
 - July 2018: Full Board hearing (Plan Adoption & potential CEQA Appeal Hearing)

TIMELINE (SUBJECT TO CHANGE)

- **Central SoMa Special Tax District (dates TBA)**
 - 6/4/18: Hearing at Capital Planning Committee
 - June 2018: Introduction at Board of Supervisors (Special Tax Financing Law Amendments & ROIs)
 - July 2018: Adoption of Special Tax Financing Law Amendments
 - September/October 2018: Adoption of ROIs

ACTIONS BEFORE THE CPC

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An aerial photograph of a dense urban area in San Francisco, featuring numerous high-rise buildings, streets, and green spaces. The entire image is overlaid with a semi-transparent red filter. A white rectangular box is centered in the upper-middle portion of the image, containing the word "THANKS" in red capital letters.

THANKS

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TRANSIT



Photo by SF Planning, David Leong.



PDR



Photo by SF Planning, David Leong.



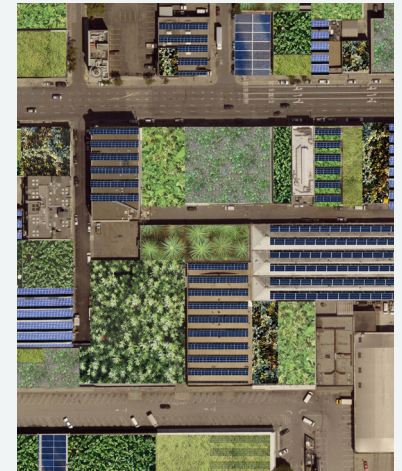
PARKS AND RECREATION



COMPLETE STREETS



ENVIRONMENTAL SUSTAINABILITY AND RESILIENCY



SCHOOLS AND CHILDCARE



CULTURAL PRESERVATION & COMMUNITY SERVICES

