

BALBOA RESERVOIR PROJECT

Recap: Project History & January CAC Meeting



OVERVIEW

1. Project History & Next Steps
2. Recap of January CAC Meeting (Topic: Housing)

PROJECT HISTORY

From project announcement to developer selection (3 years)

- **Nov. 2014** – Balboa Reservoir announced as Public Lands for Housing site
- **Nov. 2014 – June 2015** – Initial community outreach
- **April 2015** – Balboa Reservoir CAC established
- **Aug. 2015 – Sept. 2016** – Development parameters established over the course of 16 CAC meetings

PROJECT HISTORY

From project announcement to developer selection (3 years)

- **Nov. 2016 – August 2017** – Developer selection process
 - *Selected development team:*
BRIDGE Housing & AvalonBay Communities (master developers)
with Mission Housing, Habitat for Humanity, Pacific Union Development Company
- **Nov. 2017** - Exclusive Negotiating Agreement between City and development team

NEXT STEPS

From developer selection to project approvals (2 years)

- Refinement of development plan, site design
- Technical and environmental analysis
- Negotiation of business terms
- Ongoing CAC and community engagement
- Culminates in approval by SFPUC Commission, Planning Commission, Board of Supervisors (by late 2019)

CAC MEETING/WORKSHOP SCHEDULE

Through March 2018

- Development Team Introductions (Oct)
- Public Open Spaces (Nov)
- Walking Tour (Dec)
- Transportation, Circulation, and Parking (Dec)
- Housing Affordability and Character (Jan)
- Preview of Fiscal Feasibility Leg. Package (Feb)
- Master Plan Updates (March)
- Open House (March)

CAC MEETING/WORKSHOP SCHEDULE

April – August 2018

- Public Open Space Programming & Design
- On-Site Transportation, Walking, Biking & Autos
- Housing Affordability and Character
- Off-Site Transportation (coordinate with SFMTA)
- Sustainability

Community Feedback from January 22 CAC

Affordable Housing

In future, provide more detail about how many units are in each income band, and what are the rents and income levels for each.

Provide breakdown of total number of bedrooms and residents anticipated on site.

Housing for the CCSF community (faculty, staff, students) is an important part of addressing affordability.

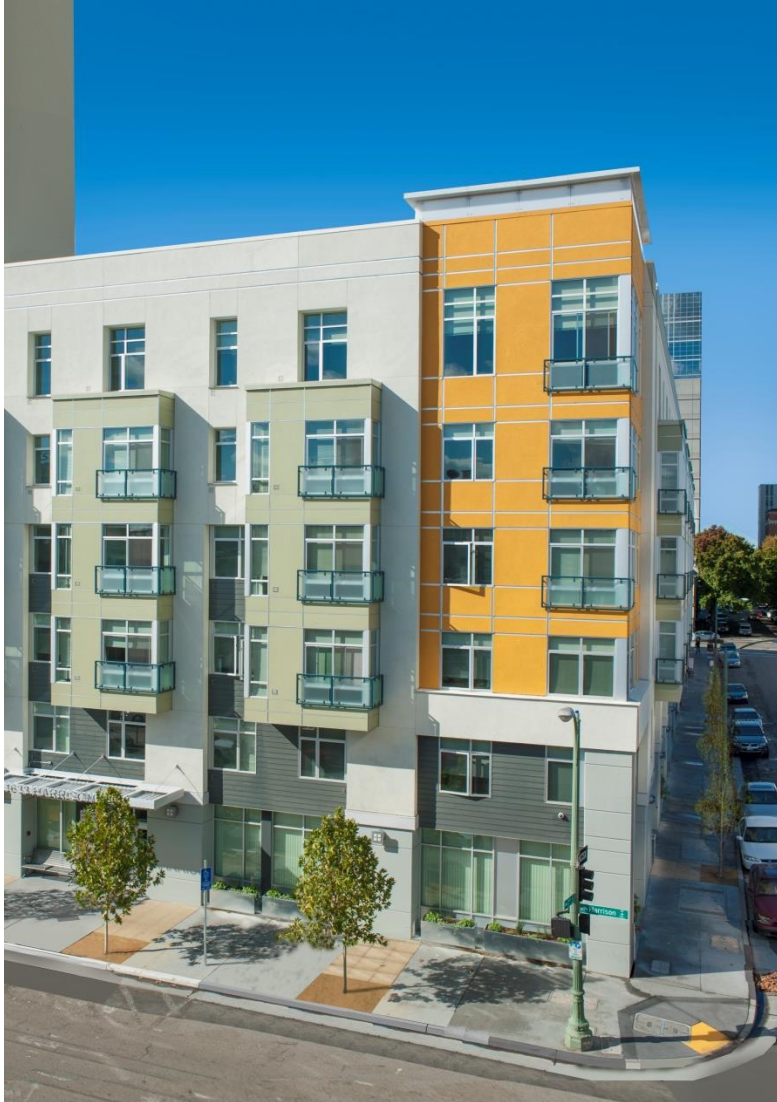
Consider the ratio of ownership and rental units, especially in relation to surrounding neighborhoods.

Provide more information and examples of successful affordable housing in other neighborhoods .



Community Feedback from January 22 CAC

Housing Character & Scale



Consider a stronger entryway from the northeast and better connection to Sunnyside.

Put the tallest buildings where they will have least impact on the neighborhoods.

How are building heights measured? Are there ways to keep the site grade lower so that buildings are not as tall?

The buildings need to be beautiful and compatible with the neighborhood. (Look at new development on Ocean/Miramar.)

Provide images that show buildings from various vantage points in the neighborhood.

Community Feedback from January 22 CAC

General Comments



San Francisco is a City of neighborhoods with different density levels next to each other.

We are in a housing crisis, so maximize the number of housing units.

The proposed number of units does not meet the CAC goal of harmonizing with the surrounding neighborhood.

Appropriate character and amount of housing are both important. Cannot ignore character, but also cannot ignore the need for housing.

FISCAL FEASIBILITY



WHAT IS FISCAL FEASIBILITY?

- For projects that may require public funds
- These projects must be found “fiscally feasible and responsible” before beginning environmental review
- Compares fiscal benefits to the City against anticipated new City costs:

Does the project bring in more new tax revenue than what is needed to provide it with City services?

- Different from *financial feasibility*, which refers to the developer’s finances

BOARD OF SUPERVISORS PROCESS

- **Votes on a resolution that:**
 - Finds project to be “fiscally feasible and responsible”
 - Authorizes submittal of an Environmental Evaluation Application to the Planning Department
 - Does not grant any approvals to build the project

- **Considers supporting documents:**
 - Development overview
 - Fiscal feasibility analysis, prepared by third-party consultant
 - Report and recommendation by Board of Supervisors Budget Analyst

DEVELOPMENT OVERVIEW (Supporting Document)

- General description of anticipated project
- Background information – does not seek approval
- Based on Development Principles & Parameters and developer's original proposal (but future changes are allowed)
- Also describes processes, milestones that are likely in the future

RECAP OF DEVELOPER'S PROPOSAL



Major Elements Include:

- 1,100 housing units
- 18% low-income, 15% moderate + 17% low, moderate and middle
- City College collaboration (parking, housing)
- At least 4 acres of open space
- Childcare center and community room
- Residential parking at 0.5 spaces per home
- Shared garage serving City College community
- Transportation demand management and sustainability plans

FISCAL FEASIBILITY REPORT (SUPPORTING DOCUMENT)

- Prepared by third party consultant
- Reviewed by Budget Analyst
- Costs and revenues are provided in 2018 dollars
- Numbers are estimates and subject to change as project's development program is refined

NEW TAX REVENUE TO THE CITY EACH YEAR

- **General Tax Revenue = \$4 million**
 - Property tax (\$2.7 million)
 - Property tax in-lieu of VLF (\$560,000)
 - Property transfer tax (\$390,000)
 - Sales tax (\$260,000)
 - Parking tax (City share) (\$100,000)
 - Gross receipts tax (\$60,000)
- **Other Dedicated Revenue to City = \$1 million**
 - Property tax dedicated to specific use (\$410,000)
 - Parking tax (SFMTA share) (\$380,000)
 - Public safety sales tax (\$130,000)
 - SFCTA sales tax (\$130,000)
- **State Education Funds = \$1.2 million**

ESTIMATED CITY COSTS

- **City services provided to the project = \$1.5 million**
 - Road Maintenance (\$80,000)
 - Police (\$850,000)
 - Fire Department (\$610,000)

COMPARISON OF REVENUES & COSTS

	Annual Amount
General Fund Revenue Collected	\$4,060,000
Minus Set-Asides (MTA, libraries, children's services)	- \$810,000
Minus Public Service Expenditures	
Road maintenance	- \$80,000
Police	- \$850,000
Fire	- \$610,000
Unencumbered General Fund Revenue	\$1,710,000
Other Dedicated Revenue	\$1,050,000
State Education Revenue	\$1,200,000

ADDITIONAL ONE-TIME REVENUES

- **Impact Fees = \$23 million**
 - Balboa Park Community Infrastructure Fee (\$9.2 million)
 - Childcare Fee (\$2.3 million)
 - Transportation Sustainability Fee (\$11.3 million)
 - A portion of these fees may be credited if project provides certain “in-kind” public benefits
 - Paid when building permits are issued

- **Taxes During Construction = \$3.3 million**
 - Sales tax (\$1.4 million)
 - Gross receipts tax (\$1.9 million)

HOUSING SUBSIDY COST

- Public financing needed to achieve 50% affordable housing
- Would pay for 17% of total homes to be permanently affordable (other 33% paid for by project revenues)
- 187 affordable homes (low, moderate, and middle-income housing)
- Current subsidy estimate is \$26 million
- Potential public financing sources may include state sources, reinvestment of net tax revenues, future housing bonds, proposed gross receipts tax increase

ADDITIONAL FISCAL & ECONOMIC BENEFITS

Job Creation

- **2,800 construction job-years**
 - Each job year is one year of full-time employment for one worker)
- **41 permanent jobs on site**
 - Maintenance, property management, childcare services, parking operations

Benefits to the SFPUC

- Revenue from land sale (benefits ratepayers)
- Opportunity to serve as power provider

BOARD OF SUPERVISORS MEETINGS

Tentative Schedule

- **Budget and Finance Committee – Thursday, March 1**
 - City Hall Room 250
 - Meeting starts at 10:00 am
 - Public comment period

- **Full Board Meeting – Tuesday, March 13**
 - Will occur if recommended by Budget & Finance Committee
 - City Hall Room 250
 - Meeting starts at 2:00 pm
 - No public comment period for fiscal feasibility resolution

Dates are tentative, subject to change at Board of Supervisors' direction

POTENTIAL TIMELINE FOR BALBOA RESERVOIR

