

**PORT OF SAN FRANCISCO  
MEMORANDUM**



To: Members, Capital Planning Committee  
From: Rebecca Benassini, Real Estate & Development Division  
Wyatt Donnelly-Landolt, Finance Division  
RE: **Mission Rock Community Facilities District Formation**

## Background

The Mission Rock Project is a mixed-use development project located East of 3<sup>rd</sup> Street, North of Mission Rock Street, and South of China Basin Channel along the bay waterfront. The site, which currently serves as the parking lot for Oracle Park, will provide approximately 1,150 units of new rental housing, create 1.4 million square feet of new commercial and office space, and rehabilitate historic Pier 48. Additionally, the project will include 40 percent on-site affordable housing and build 8 acres of new waterfront parks and open space.

On January 30, 2018, the Port Commission approved the Mission Rock Project. Subsequently, on February 13, 2018, the San Francisco Board of Supervisors approved the Project, and on August 15, 2018, the Port and Seawall Lot 337 Associates signed all Project-related documents. The Project approvals represented 11 years of effort, led by the Port Commission, Port and City staff, and the Developer. These efforts included State legislation, neighborhood planning and neighborhood outreach, infrastructure planning and design, shoreline and sea level rise resiliency planning, development of a Special Use District, and successful collaborations with regulators and partner agencies related to topics like workforce development, affordable housing, transportation, public access, and park development.

Project approvals established the contractual framework between the City, acting through the Port, and the Master Developer, Seawall Lot 337 Associates, LLC, an affiliate of the San Francisco Giants and Tishman Speyer. The documents require the Master Developer to construct public, horizontal infrastructure such as roads, sewers, and parks and the City to reimburse the Master Developer. The City's reimbursement relies heavily on public financing from an Infrastructure Financing District (IFD) and Community Facilities District (CFD). Bonds secured by the CFD and IFD will fund an estimated \$260M of the \$380M in costs associated with entitlements and infrastructure. The value of developable land at the site and the remaining special taxes and tax increment provide the remainder of funding.

Consistent with prior approvals, the Board of Supervisors authorized an IFD Project Area in February 2018. More recently, the Board approved amendments to the City's Special Tax Law to incorporate uses for the Pier 70 and Mission Rock projects in September 2019. The next step in project financing is the formation of the Mission Rock CFD.

## Mission Rock CFD

The Port is seeking the establishment of one CFD (the Mission Rock CFD) in order to levy special taxes, issue bonds, and fund the following project costs:

- Entitlement costs
- Construction costs for public improvements including roads, utilities, and parks and open space
- Rehabilitation of historic Pier 48
- Shoreline and sea level rise studies and improvements
- Perpetual maintenance of parks, open space, streets, sidewalks, and other infrastructure

## CFD Formation Process

Forming a CFD is a multi-step legislative process. The first step is to declare the intention to form the districts, which is currently planned for February 2020. The next step is to initiate the formation process and hold a public hearing and an election of residents - or landowners if there are no residents - in the district. The Port anticipates this election will occur in April and the Port would be the only elector in the election. Once the CFD is established, the Port will return to the Board to request authorization to market bonds, secured by the CFD Special Taxes, to fund the horizontal infrastructure improvements for the Mission Rock Project.

## Timeline of Legislation and Financing

Date	Legislative Items
February 2020	<ul style="list-style-type: none"> <li>Resolution of Intention to Form</li> </ul>
April 2020	<ul style="list-style-type: none"> <li>Resolution of Formation</li> <li>Public Hearing</li> <li>Special Election</li> </ul>
Q2 2020	<ul style="list-style-type: none"> <li>Issue Bonds secured by Special Taxes</li> </ul>

## Project Map



## Affordable Housing Program

### Phase 1 and Estimated Phases 2-4 Affordable Program

	Phase 1			Phases 2-4	Total
	A	F	Subtotal	D, K, H	
<b>Total Units</b>	294	266	560	582	1,142
<b>45% AMI</b>	0%	0%	0%	4%	2%
<b>55% AMI</b>	0%	0%	0%	20%	10%
<b>90% AMI</b>	3%	5%	4%	4%	4%
<b>120% AMI</b>	18%	21%	19%	15%	17%
<b>150% AMI</b>	13%	12%	13%	2%	7%
<b>Overall % BMR</b>	34%	38%	36%	44%	40%
<b>Total BMR</b>	100	101	201	257	457