



CFD Update

CITY OF SOUTH SAN FRANCISCO

City Council Meeting | March 27, 2024



**EASTERN
NEIGHBORHOODS
CFD**

Agenda

- Background & Purpose
- Potential Projects & Conceptual Designs
- Outreach Efforts
- Financing
- Next Steps & Timeline



Background

- CFD is a public financing mechanism that allows for tax exempt bonds
- Allows property owners to tax themselves for capital projects including transportation and infrastructure improvements
- Previous CFD effort in 2019-20 paused due to the COVID-19 pandemic and economic market



Comparison

	Oyster Point CFD	Eastern Neighborhood CFD
Formation Date	2021	2025
Sponsor	Kilroy Realty	City of South San Francisco
Voter Authorization	Less than 12 registered voters	% of Property Owners
Projects	10 Buildings and capital improvements	Transportation Projects



Why Now?

- Traffic is still a problem!
- Economic Competitiveness
- Master Transportation Plans
 - General Plan
 - Active SSF
 - Mobility 20/20
- Rising construction costs
- Climate Action Plan Goals



Where are we now?

- Input from Oyster Point Mobility Vision Plan
- City hired special tax consultant, transportation planners, and outreach specialists
- Restarting conversations with stakeholders
 - Mailers sent to property owners in March
 - Stakeholder meeting with Oyster Point Mobility Steering Group
 - Virtual and In-Person Town Halls to be held in April
 - Council Study Session



Purpose

- Update on CFD efforts
- Preview project list & refinements
- Update on upcoming CFD outreach efforts
- Receive Council feedback and guidance on future CFD efforts



Potential CFD Projects

+ Conceptual Designs



Recent Planning Efforts

2018-2019



MOBILITY 20/20

East of 101 Transportation Plan

Draft Report | June 2019

2019-2022



SHAPE SSF
2040 GENERAL PLAN

Inputs to
General
Plan

Oyster Point Property
Owners Process

Oyster Point
MOBILITY
VISION
PLAN

2023-Present

Implementation

- Complete Streets Corridor Designs
- Project Cost Estimates
- Restart CFD Planning & Outreach

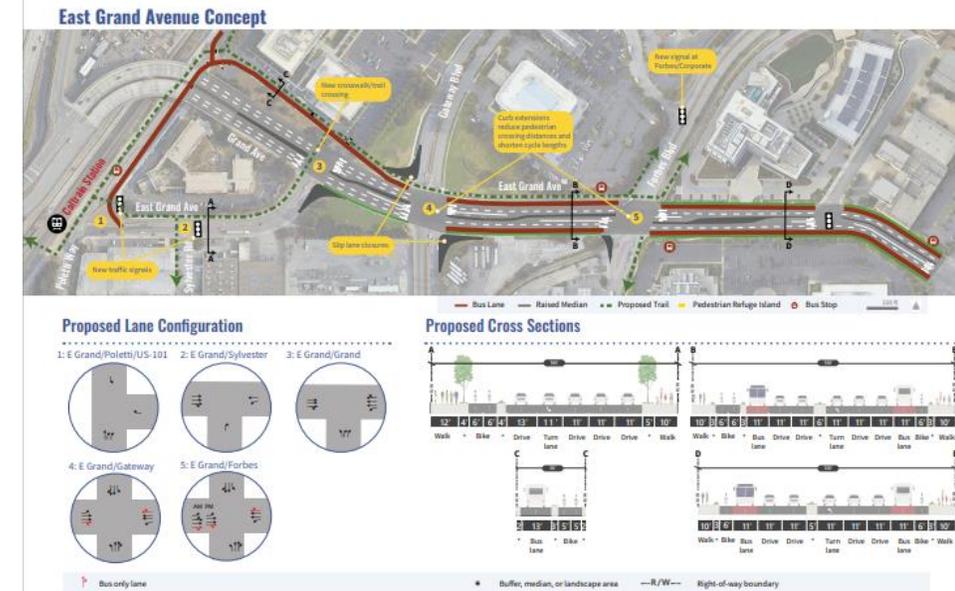


Recap: Improvement Concepts

The General Plan identifies a combination of new infrastructure, services, and processes to accommodate this growth:

- Identifies complete streets improvements and new connections
- Updates transportation demand management ordinance and parking code
- Establishes area-wide trip cap

Existing infrastructure and services is insufficient to handle 100K jobs and 10K residents.



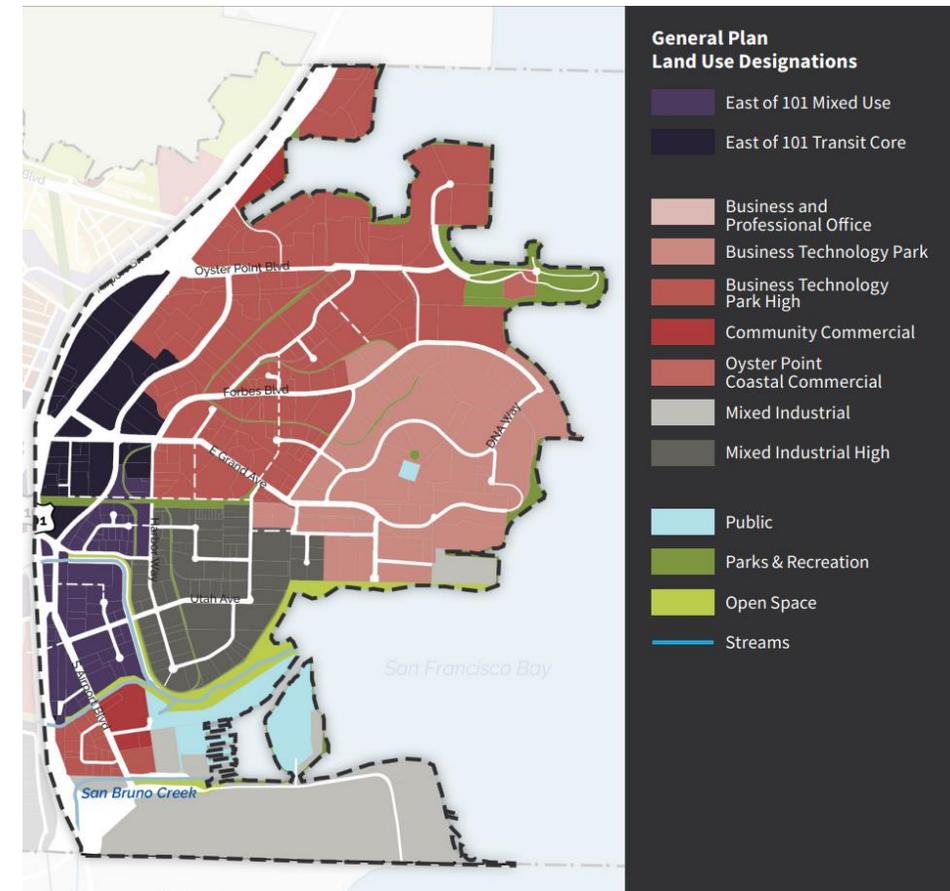
Recap: Growth Expectations

The General Plan includes the addition of 43,000 residents and 81,000 jobs citywide by 2040:

- 2019: 64,000 residents and 57,000 jobs
- 2040: 107,000 residents and 138,000 jobs

Most growth is concentrated in the East of 101 Area:

- 2019: 0 residents and 36,000 jobs
- 2040: 11,000 residents and 101,000 jobs





Study Corridors

The City has prepared conceptual designs for complete streets improvements throughout the East of 101 Area:

8.6 miles of improvements to streets and trails

30 intersections

6 new trails and streets

Complete Streets Study

- Existing Corridor
- ⋯ Planned Corridor
- Existing Trail
- ⋯ Planned Trail

NEW!

Complete Streets Designs

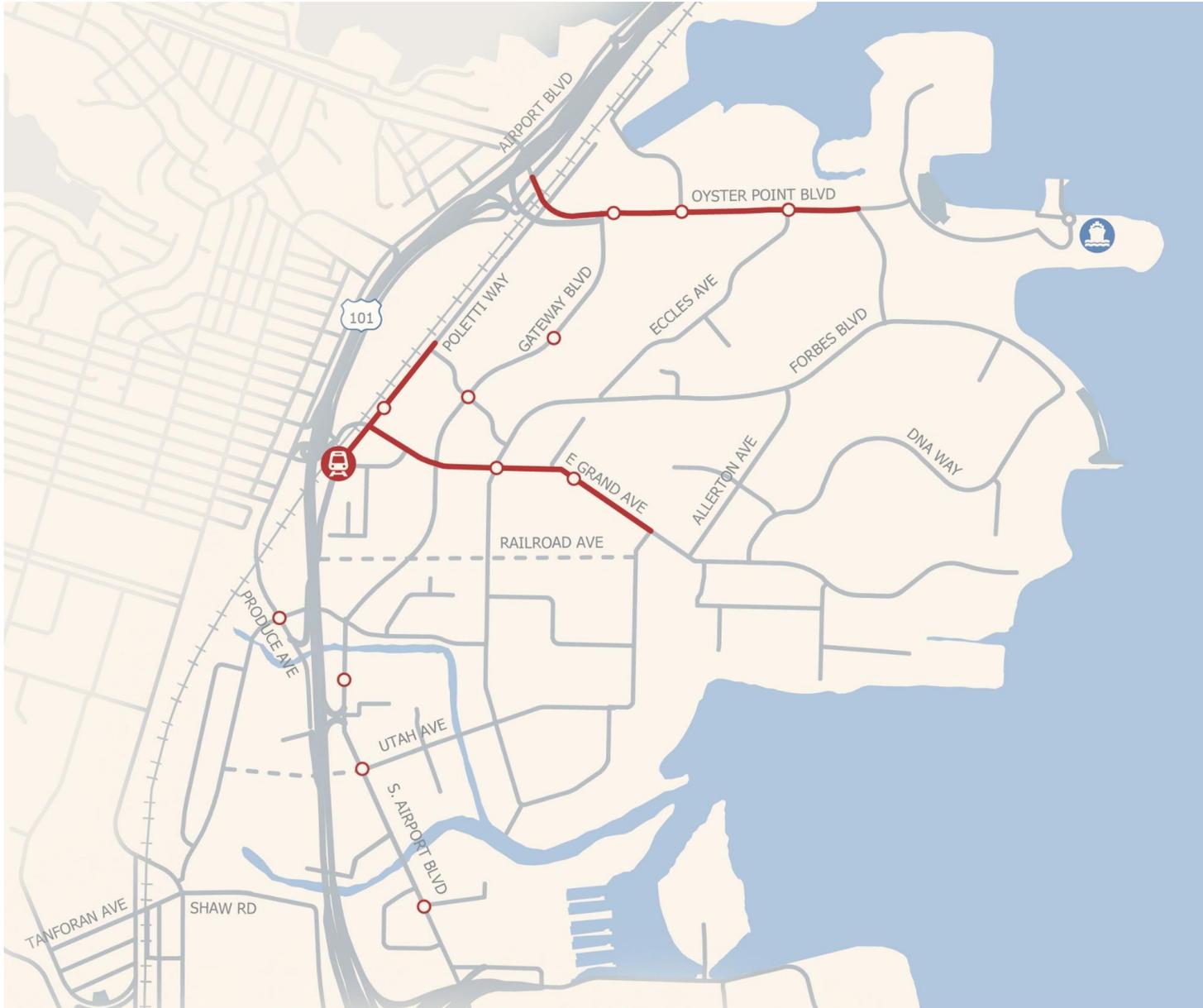
The City is developing draft designs for all major street corridors within the East of 101 Area:

- Identifies key changes to improve safety, access, throughput, and connections
- Achieves buildout of General Plan, Active South City Plan, and Mobility Vision Plan on study corridors
- Provides sufficient detail to estimate costs and align planning/design efforts

Cost estimates are being finalized in the next month.

All layouts remain a work in progress! We welcome any comments. Further coordination will occur as projects advance.





Transit Facilities

Buses and shuttles would be prioritized along key transit corridors such as Oyster Point, East Grand, Gateway, and South Airport:

1.6 miles of transit-only lanes

24 bus stop upgrades and access improvements

2 access improvements at regional transit hubs (Caltrain and Ferry)

-  Transit-Only Lanes
-  Transit Stop/Access Improvements
-  Caltrain Station
-  Ferry Terminal



Bike Facilities

Improving bicycle and pedestrian facilities is a key point of emphasis for the East of 101 Area:

5.4 miles of new separated bikeways and trails

6 Bikeway connections across 101

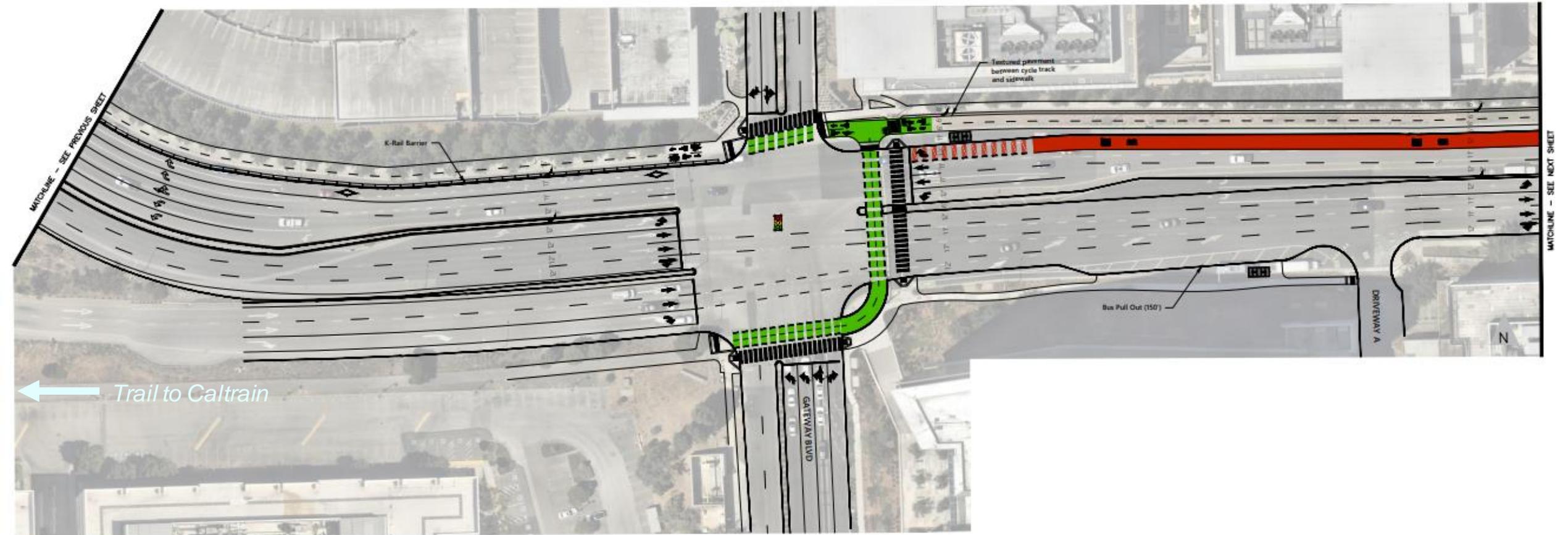
Not Included in Study

- Existing/Planned Bike Lane (Class II)
- Existing/Planned Shared-Use Trail

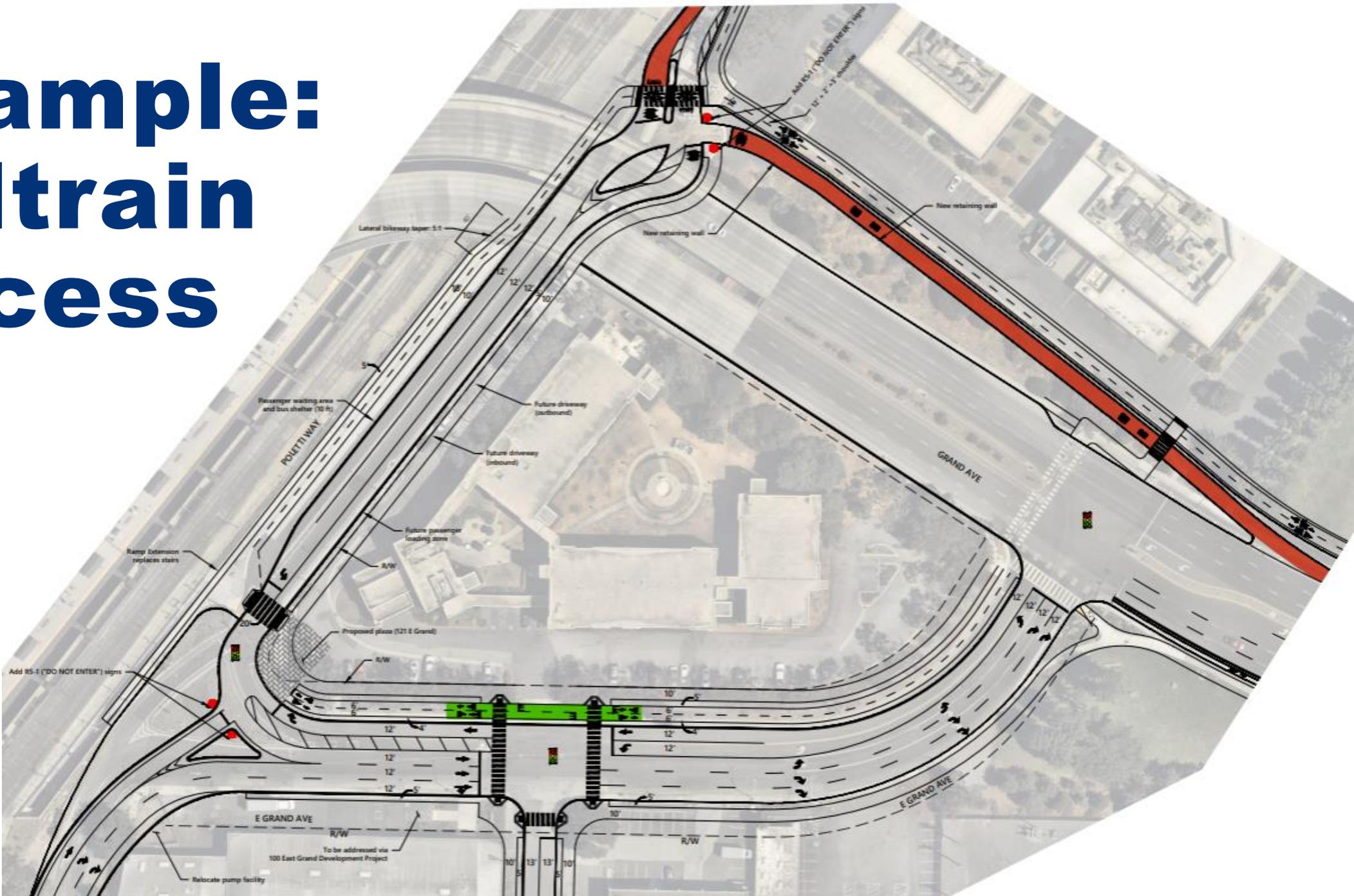
Complete Streets Study

- Bike Lane (Class II)
- Shared-Use Trail (Class I)
- Separated Bike Facility (Class I or IV)

Example: Oyster Point Boulevard



Example: Caltrain Access



Comparison to Mobility Vision Plan's List of Prioritized Projects

Design and costing efforts generally align with projects identified in the Mobility Vision Plan.

All projects are located within the East of 101 Area and emphasize changes within the City's right-of-way.

Further refinement of the project list can occur once the cost estimates are finalized.

Incorporated

Modified

Incorporated

Projects	Priority	Modes served
Oyster Point Boulevard Corridor Improvements	High	Auto, Transit, Bike, Walk
East Grand Avenue Corridor Improvements	High	Auto, Transit, Bike, Walk
Road Paving East of 101	High	Auto, Bike
Various Intersection Improvements (16 locations)	High	Auto, Bike, Walk
Caltrain Access Improvements & Rails to Trails/New East of 101 Trails	High	Bike, Walk
Road Improvements Gull Drive	Medium	Auto Bike
Active Mobility Plan Completion & Placemaking	Medium	Bike Walk
Regional Bike Connections	Medium	Bike
Ramp Metering Improvements	Medium	Auto Transit
South Airport Boulevard	Medium	Auto, Bike Walk
Infrastructure Maintenance (10% of total infrastructure cost)	Medium	Auto Bike

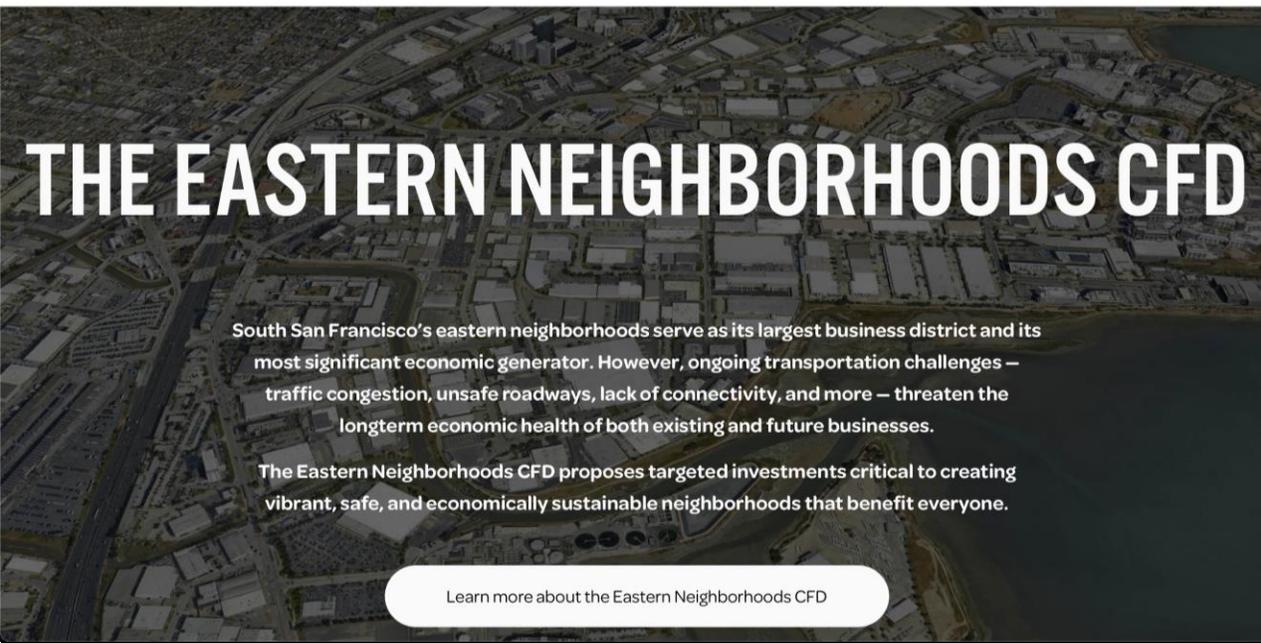
Outreach Efforts



Step 1: Generate Awareness

- *Mid-March:*
 - Mailer going out to all property owners
 - SSF-CFD.com launches
- *Late March to Mid-April:*
 - Door knocking, emails, calls, and other one-on-one outreach





THE EASTERN NEIGHBORHOODS CFD

South San Francisco's eastern neighborhoods serve as its largest business district and its most significant economic generator. However, ongoing transportation challenges – traffic congestion, unsafe roadways, lack of connectivity, and more – threaten the longterm economic health of both existing and future businesses.

The Eastern Neighborhoods CFD proposes targeted investments critical to creating vibrant, safe, and economically sustainable neighborhoods that benefit everyone.

Learn more about the Eastern Neighborhoods CFD



WHAT IS A CFD?

A **community facilities district**, or **CFD**, is a special tax district in which property owners tax themselves to fund critical infrastructure improvements. This tax is not a property tax. It is in addition to the standard property tax. The rate that property owners pay, the conditions, the length of time are determined by the city or agency proposing the CFD. Explore the stages of initiating and implementing a CFD to the right.

- STEP 1) INITIATE THE CFD +
- STEP 2) ADOPT GOALS & POLICIES +
- STEP 3) PROPOSE A RESOLUTION OF INTENTION +
- STEP 4) PUBLIC HEARING +
- STEP 5) ADOPT A RESOLUTION OF FORMATION +
- STEP 6) VOTE +

THE EASTERN NEIGHBORHOODS CFD

With their life science and office campuses and robust warehouse, production, distribution, and repair facilities, the eastern neighborhoods have long served as the city's largest business district and its most significant economic generator. However, the area suffers from ongoing transportation challenges, including traffic congestion, safety, and aging infrastructure, that pose a risk to the long-term health of existing businesses as well as the future growth of the area. For these neighborhoods to remain competitive in today's difficult market, targeted investments need to be made.

Scroll down to learn more about this proposed effort.



RSVP FOR A COMMUNITY TOWN HALL

The City will be hosting a series of community town halls this spring, with both virtual and in-person options. Join us to learn all about the proposed Eastern Neighborhoods CFD and ask any and all questions you may have.

Name (required)
 First Name Last Name

Email (required)

What is the name of the company or ownership entity that owns your parcel(s) in the CFD area? (required)

Not sure whether your parcel(s) is in the CFD area? Give us its address(es) and we'll let you know.

Were you aware of the City's previous effort to establish a CFD in this area? (required)
 Select an option

Do you support contributing to a CFD to fund needed transportation improvements? (required)

Strongly Disagree Disagree Neutral Agree Strongly Agree

Which town hall(s) would you like to attend? (required)

More information about these events will be shared closer to their date.

Step 2: Present & Listen

- *Mid-April:*
 - Five to six Community Town Halls
- *Late April to Early May:*
 - One-on-one follow-ups



Step 3: Evaluate Feedback

- *Early May:*
 - What did we learn? How does the CFD proposal need to adapt to garner sufficient support?



Step 4: Present & Listen (again)

- *Late May:*
 - Five to six Community Town Halls
- *Late May to Early June:*
 - One-on-one follow-ups



Step 5: Evaluate Feedback (again)

- *Mid- to Late June:*
 - What did we learn in the second round of engagement? Have we crystallized enough support to move forward? If not, what does it take to find that support?



Financing



Flexibility in CFD Boundaries

- Initial CFD boundaries to include all parcels that initially agree to participate
 - Parcels do not need to be contiguous
- "Future Annexation Area" to be established at CFD formation
 - Will include any property that may ever annex
 - Accelerates annexation if and when it ever occurs
 - Annexation then requires no further action of City Council
 - Provides for timely, cost-effective annexations



Mello-Roos CFD for the Eastern Neighborhoods



Flexibility in Improvements to be Funded

- Any public improvement with a useful life of 5 years or longer
 - Improvements do not need to be located within CFD boundaries
 - No benefit finding required
 - Tax-exempt bonds can be sold to fund improvements
- Portion of special tax can transition to fund repair and replacement of facilities after all bonds have been paid off



Special Tax on County Tax Roll

Fiscal Year 2025-26 Property Tax Rolls	Deadline
County Controller	August 2025
1st installment due	December 2025
2nd installment due	April 2026

- **CFD must be formed, and special tax lien recorded against the parcels by mid-July 2025 at the very latest.**



Next Steps & Timeline



Next Steps Prior to CFD Formation Process

- Validate parcels identified in initial CFD boundaries and Future Annexation Area
- Reach agreement as to maximum special tax for each land use type
- Calculate the bonding capacity available from parcels in initial boundaries
- Have financing team commence preparation of formation documents
 - Rate and Method of Apportionment of Special Tax (RMA)
 - List of Authorized Facilities and Services
 - Map of CFD Boundaries and Future Annexation Area
 - Resolutions for adoption by Council



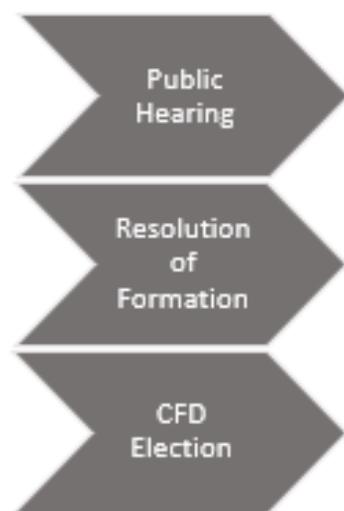
CFD Formation Process



Kickoff:
Petition filed by property owners or by two council members (*Meeting #1 to follow within 90 days*).



Meeting Number 1: Resolution of Intention to Establish the CFD and Resolution of Intention to Incur Bonded Indebtedness (*Meeting #2 to follow 30-60 days later*).



Meeting Number 2: Public Hearing and Resolution of Formation of the CFD, Resolution Deeming It Necessary to Incur Bond Indebtedness, Resolution Calling the Election (*Meeting #3 to follow between 90-180 days later*).



Meeting Number 3: Opening and Counting of Ballots, Resolution Confirming Results of Election, First reading to adopt the special tax ordinance ordering the levy of special taxes within the CFD



Meeting Number 4: Second reading to adopt the special tax ordinance ordering the levy of special taxes within the CFD.



Thank You

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