

THIS PRINT COVERS CALENDAR ITEM NO. : 10.8

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Supporting the formation of a new Dogpatch and Northwest Potrero Hill Green Benefit District (GBD) and authorizing the Director of Transportation to submit a ballot in favor of the formation of the GBD.

SUMMARY:

- The SFMTA owns 12 property parcels comprising the Woods Operation and Maintenance Facility, located between Indiana, Tennessee, 22nd, Tubbs, and 23rd Streets.
- A GDB Formation Committee and community stakeholders have explored the formation of a GBD to raise funds to maintain public areas located in the GBD boundary area.
- The Woods Facility is located in the proposed area.
- The proposed GBD would levy special assessments effective FY2015-16 and continue for 10.5 years.
- The initial proposed annual assessment on SFMTA property is \$27,580.02, plus an annual inflation adjustment not to exceed 3%.
- The Woods Facility would benefit from the enhanced sidewalk cleaning, graffiti removal, landscape maintenance and street beautification efforts funded by the assessments.

ENCLOSURES:

1. SFMTAB Resolution
2. GBD Boundary Map
3. City Owned Property under SFMTA's Jurisdiction

APPROVALS:

DATE

DIRECTOR _____ 6/26/15

SECRETARY _____ 6/26/15

ASSIGNED SFMTAB CALENDAR DATE: July 7, 2015

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PURPOSE

This report requests that the San Francisco Municipal Transportation Agency Board of Directors adopt the attached resolution, supporting the formation of a new Dogpatch and Northwest Potrero Hill Green Benefit District (GBD) and authorizing the Director of Transportation to submit a ballot in favor of establishing the GBD.

GOAL

This item will meet the following goals and objectives of the SFMTA Strategic Plan:

Goal 3 – Improve the environment and quality of life in San Francisco

Objective 3.3: Allocate capital resources effectively

Goal 4 – Create a workplace that delivers outstanding service

Objective 4.4: Improve relationships and partnerships with our stakeholders.

DESCRIPTION

A Green Benefit District (GBD) is a special financing district that provides for the levy and collection of assessments on properties within a geographically defined area. Assessment revenue collected from the benefitting properties pays for the costs associated with the improvements, services, and activities provided to the GBD area.

In November of 2012, a group of community leaders from the Dogpatch and Potrero Hill neighborhoods convened with a local non-profit organization to explore the potential of forming a GBD to improve and maintain its existing public green spaces, parks, gardens and sidewalk greenings and to fund and develop new green spaces by adding more open spaces, parks and gardens. A Dogpatch and Northwest Potrero Hill Formation Committee, comprised of landowners, tenants, developers, condominium owners, renters and advocates, was formed to guide the GBD formation process and voted to establish a GBD to support the Dogpatch and Northwest Potrero Hill neighborhoods.

Under State and City laws, property owners may form property and business improvement districts whereby property owners agree to pay assessments to fund specific programs and projects that benefit their communities. The Property and Business Improvement District Law of 1994 (Sections 36600 et seq. of the California streets & Highways Code), and the City's Business Improvement Districts Procedural Code (Article 15A of the Business & Tax Regulations Code) establish the requirements and procedures for the formation and administration of property and business improvement districts. In San Francisco, many of the districts formed under these laws are referred to as Community/Green Benefit Districts. Currently, there are several active Community/Green Benefit Districts within San Francisco.

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The Woods Operations and Maintenance facility consists of 12 City parcels, under SFMTA jurisdiction, that would be subject to future assessments as part of the proposed Dogpatch and Northwest Potrero Hill GBD described in the March 2015 Management Plan.

The proposed GBD is comprised of two distinct zones:

Zone I – Boundary Description

- Mariposa Street from Iowa Street to Illinois Street (South side only)
- Illinois Street from Mariposa Street to Cesar Chavez Street (West side only)
- Cesar Chavez Street from Illinois Street to Pennsylvania Street (North side only)
- Pennsylvania Street from Cesar Chavez Street to 22nd Street (East Side Only)
- 22nd Street from Pennsylvania to Iowa Street (North Side Only)
- Iowa Street from 22nd Street to Mariposa Street (East Side Only)

Zone II – Boundary Description

- 16th Street from Potrero Avenue to Kansas Street (South side only) (completely encompassing Assessor's Parcel 3958-006)
- Kansas Street from the northeast corner of parcel 3958-006 traveling south along the eastern perimeter of the parcel for 100 feet, then traveling west along the southern perimeter of the parcel for 100 feet, then traveling south to the southeast corner of parcel 4029-022.
- 19th Street from southeast corner of parcel 4029-022 to Potrero Avenue (North side only)
- Potrero Avenue from 19th Street to 16th Street (East side only)

Services of the GBD:

1. Maintenance: Maintenance services includes district scale activities like tree care, graffiti patrol, trash and debris removal, as well as comprehensive maintenance for all Public Realm areas in the GBD.
2. Capital Improvements: Management Plan dedicates 32% of the annual GBD budget to capital improvements of existing Public Realm areas and new Public Realm areas, including new Green Infrastructure in the GBD.
3. Accountability, Transparency & Citizen Services: A GBD manager will oversee district operations including finances, contracts, relationship management, and advocacy, to ensure for program accountability.
4. Operations & Contingency/Reserves: Contingency reserves are set aside to cover insurance, accounting, audits and financial reviews, and potential cost overruns of the GBD.

Continuation of City Services:

The City and SFMTA currently provides a baseline of services to the Dogpatch and Northwest Potrero Hill neighborhoods. These baseline services include public park maintenance, mechanical street sweeps, graffiti removal, street tree maintenance and sidewalk cleaning/maintenance. The services, activities, and improvements funded by the GBD are in addition to these baseline services already provided by the City.

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GBD Budget:

Zone I: Dogpatch

	Total Budget	Less: General Benefit	Amount of Assessment
Services, Activities, and Improvements		FY 2015-16	
Maintenance	\$ 120,572	(\$8,187)	\$ 112,385
Capital Improvements	\$ 145,000	(\$9,846)	\$ 135,155
Accountability & Citizen Service Tech.	\$ 98,000	--	\$ 98,000
Operations & Contingency	\$ 60,213	--	\$ 60,213
Total	\$ 423,785	(\$18,032)	\$ 405,753

Zone II: Northwest Potrero Hill

	Total Budget	Less: General Benefit	Amount of Assessment
Services, Activities, and Improvements		FY 2015-16	
Maintenance	\$ 38,584	(\$2,620)	\$ 35,964
Capital Improvements	\$ 19,750	(\$1,341)	\$ 18,409
Accountability & Citizen Service Tech.	\$ 20,000	--	\$ 20,000
Operations & Contingency	\$ 12,733	--	\$ 12,733
Total	\$ 91,067	(\$3,961)	\$ 87,106

Assessment Formula:

Assessments are calculated by multiplying each parcel's assessable square footage by the appropriate assessment rate for that benefit zone. (Assessment = building/lot sq.ft. x assessment rate)

Land Use:	Assessment Rate per Lot or Bldg. Sq. Ft.
Commercial/Residential/Other	\$ 0.0951
Industrial	\$ 0.0475
Greenspace Parcels	\$ 0.0238
Non-accessible Parcels	\$ 0.0000
Vacant/Parking Lots	\$ 0.0951

Method of Assessment Collection:

Each property owner in the GBD pays an assessment based on a formula calculated on objective parcel criteria, as defined in the management plan. This assessment is collected twice a year through owners' property tax bills. The GBD assessment will be collected and enforced by the CCSF Treasurer and Tax Collector. The Treasurer and Tax Collector will transfer the assessment payments to a non-profit corporation that will manage the GBD once approved.

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Term:

Assessments would be collected for 10.5 years (FY 2015/16 – FY 2024/25) if the proposed GBD receives a simple majority vote (more than 50%) from property owners in the proposed GBD pursuant to a ballot process. The final approval of the GBD rest with the Board of Supervisors, if the majority threshold is reached.

City Property under SFMTA Jurisdiction

The City and County of San Francisco owns 23 parcels within the proposed GBD. Of these 23 parcels, SFMTA has jurisdiction over 12 parcels, totaling 362,157 square feet of applicable GBD assessment area. The initial year assessment fee would equate to \$27,508.02.

APN Parcel	Occupy As	Lot Sq. Ft.	FY15-16 Assessment Amount
4169002	Woods Bus Depot	171,443	\$ 16,304.20
4170001	Woods Maint. Facility	1,799	\$ 42.77
4170002	Woods Maint. Facility	6,066	\$ 576.88
4170003	Woods Maint. Facility	1,542	\$ 146.64
4170004	Woods Maint. Facility	2,500	\$ 237.75
4170006	Woods Maint. Facility	1,764	\$ 41.94
4170007	Woods Maint. Facility	1,350	\$ 32.10
4170010	Woods Maint. Facility	106,680	\$ 3,634.62
4170011	Woods Maint. Facility	1,820	\$ 173.08
4171011	Woods Maint. Facility	2,498	\$ 237.56
4171021	Woods Maint. Facility	59,616	\$ 5,669.47
4171022	Woods Maint. Facility	5,079	\$ 483.01
Total			\$ 27,580.02

PUBLIC OUTREACH

Public outreach is not an applicable SFMTA task for this action.

ALTERNATIVES CONSIDERED

The only other alternative is to not submit a ballot in favor of the creation of the proposed GBD. Failure to submit may hinder the formation of the GBD and is not a recommended action.

FUNDING IMPACT

Approval of this resolution will commit operating funds in the amount of \$27,580.02 for the initial annual assessment plus an annual inflation adjustment not to exceed 3%. The funds for this assessment are available in the FY 15-16 budget.

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ENVIRONMENTAL REVIEW

The action to support the creation the GBD falls under the definition of an action that is not a project under the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), “the creation of government funding mechanisms or government fiscal activities which do not involve any commitment to any specific project which may result in potentially significant physical impact on the environment”. This determination was made by the San Francisco Planning Department.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

Affected property owners are currently casting ballots on the proposed GBD. If a majority of the weighted ballots cast by property owners do not oppose formation of the GBD, final action on formation of the GBD by the Board of Supervisors is anticipated in July 2015.

The City Attorney's Office has reviewed this Calendar Item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors support the formation of a new Dogpatch-Northwest Potrero Hill Green Benefit District and authorize the Director of Transportation to submit a ballot in favor of establishing the GBD.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Sections 36600 et seq. of the California streets and Highway Code, and Article 15A of the San Francisco Business and Tax Regulations Code establish the requirements and process for the formation and administration of property and business improvement districts, including Green Benefit Districts (GBDs); and,

WHEREAS, Due to limited government resources, there is support in the Dogpatch and Northwest Potrero Hill neighborhoods for exploring new ways to fund cleaning, greening, beautifying, marketing, promoting and maintaining a vibrant and inviting community; and,

WHEREAS, A GBD Formation Committee, consisting of a broad range of landowners, tenants, developers, condominium owners, renters and advocates for open space, parks, and gardens in the Dogpatch and Northwest Potrero Hill areas propose to form a GBD for two district zones that consist of Dogpatch and Northwest neighborhoods; and,

WHEREAS, A GBD Formation Committee and community stakeholders have developed a GBD Management Plan that identifies community challenges and priorities, proposed projects and services, annual assessments for each parcel, a budget, and a plan for administration of the GBD; and,

WHEREAS, Formation of the GBD will benefit hundreds of property owners and residents by improving community livability and strengthening economic vibrancy in the Dogpatch and Northwest Potrero neighborhoods and commercial corridor; and,

WHEREAS, The property owned by the City and County of San Francisco and under SFMTA jurisdiction is located within the proposed Dogpatch-Northwest Potrero Hill GBD boundaries and would be subject to annual assessments, and the total assessment for the first year of operation (Fiscal Year 2015-2016) would be \$27,580.02 and would increase by maximum 3% annually; and,

WHEREAS, Formation of the GBD is not a project under the California Environmental Quality Act (CEQA) as defined in the CEQA Guidelines, Section 15378(b)(4), as the GBD would create an administrative structure and a funding mechanism for improvements within the GBD boundaries and would not commit the GBD or SFMTA to any specific projects that may result in potentially significant physical impacts on the environment; and,

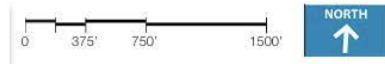
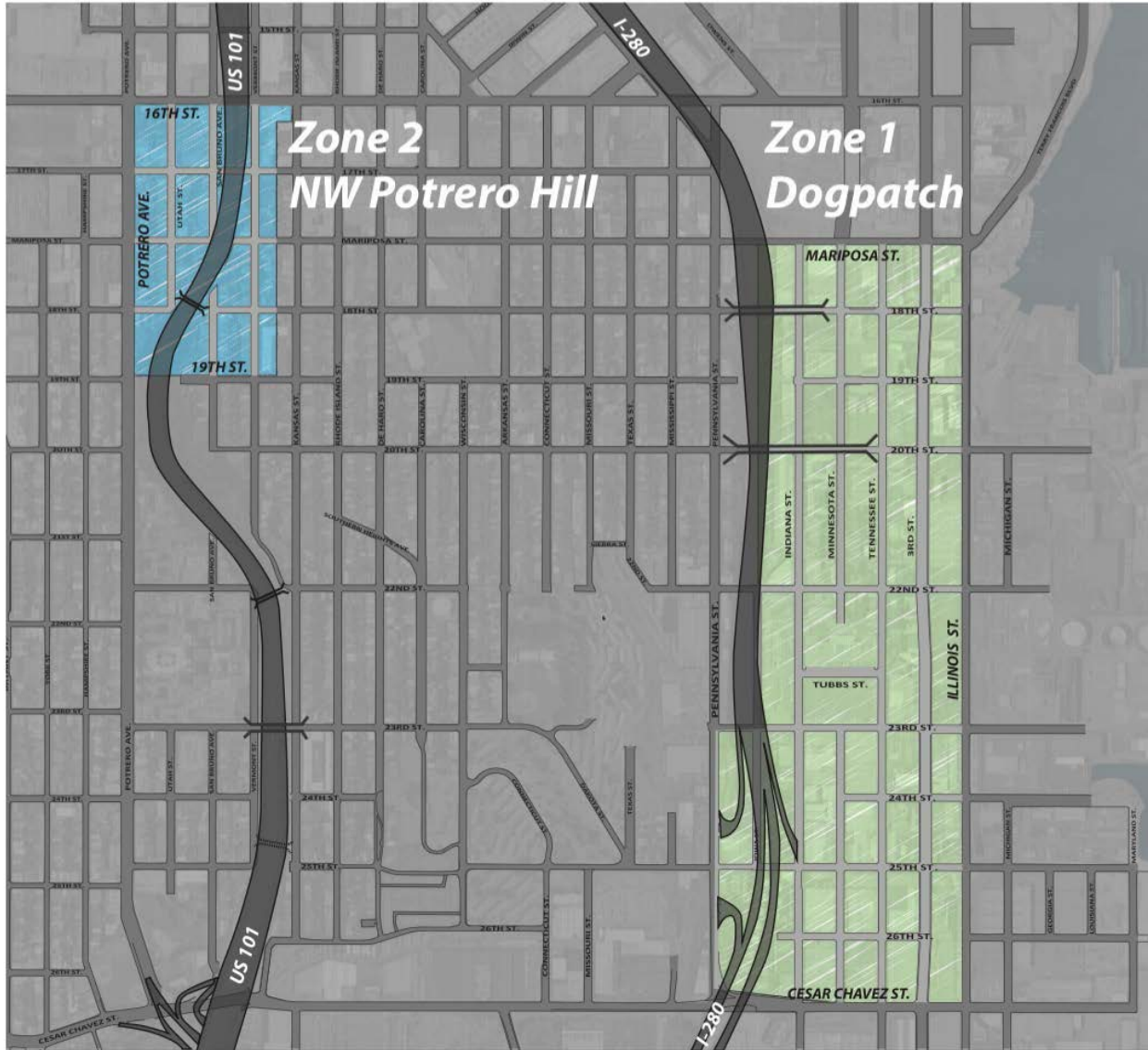
WHEREAS, Formation of the GBD will result in cleaner transit facilities and sidewalks, enhanced safety, improved streetscapes and additional marketing that will benefit thousands of pedestrians and transit riders; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors supports the formation of the Dogpatch-Northwest Potrero Hill Green Benefit District, and authorizes the Director of Transportation to submit a ballot in favor of the formation of the GBD.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 7, 2015.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Dogpatch-Northwest Potrero Hill GBD Boundary Map:



City Owned Property in the GBD under SFMTA's Jurisdiction:



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