

EIFD Public Financing Authority No. 1

**Public Hearing and Presentation of
Modifications to the Draft Infrastructure
Financing Plan for San Francisco EIFD No. 3
(3333/3700 California Street)**

January 8, 2026



Goal of the 3333/3700 California Street EIFD

- The City's goal in proposing establishment of the EIFD was to help address a shortfall in financing for the provision of Facilities of communitywide significance that provide significant benefits and promote economic development and the construction of housing (including affordable housing) within the boundaries of the EIFD or the surrounding community



3333/3700 California Street EIFD PFA – Timeline

- November 5, 2024 – Resolution of Intention to Establish EIFD No. 3 (3333/3700 California Street) ("3333/3700 California Street EIFD") approved by the Board of Supervisors
- November 19, 2024 – Development Agreement for 3333 California Street Project approved by the Board of Supervisors
- July 17, 2025 – Public Financing Authority No. 1 (PFA No. 1) adopted Resolution Directing Preparation of Infrastructure Financing Plan (IFP)
- September 11, 2025 – Meeting of PFA No. 1 for the presentation of the Draft IFP
- January 8, 2026 – First Public Hearing by PFA No. 1 on the Draft IFP; Consideration of Resolution Modifying Draft IFP

Infrastructure Financing Plan (IFP) Overview

Key Elements of the IFP include:

1. Map and legal description of the 3333/3700 California Street EIFD (including multiple project areas)
2. Proposed public facilities and other forms of development and financial assistance proposed in the area of the 3333/3700 California Street EIFD
3. Communitywide significance finding
4. Financing Plan
 - a. Description of tax increment allocated to the 3333/3700 California Street EIFD
 - b. Projection of tax increment
 - c. Financing plan for facilities to be assisted by the 3333/3700 California Street EIFD
 - d. Aggregate limit on tax increment allocated to the 3333/3700 California Street EIFD
 - e. Time limit on tax increment allocation
 - f. Costs of providing facilities/services to the 3333/3700 California Street EIFD and projected revenues from development in the 3333/3700 California Street EIFD
 - g. Fiscal Impact Analysis
 - h. Goals of the 3333/3700 California Street EIFD for each financed project

Substantive Updates to the September 11, 2025 Draft IFP

1. Provide for financing of the demolition, abatement, stabilization, and/or rehabilitation of existing structures necessary to develop the 3333/3700 California Street Projects (including work necessary for private development)
2. Clarify limited scope of Facilities that can be financed by EIFD and result in a credit against developers' obligation to pay impact fees

Substantive Updates to the September 11, 2025 Draft IFP

- Revisions to "Description of Facilities and Development or Financial Assistance" for 3333 California Street to reflect proposed financing of demolition et al. of structures necessary to enable development of the 3333 California Street Project:
 - Total Cost of the 3333 California Street Project and Related Improvements. The 3333 California Street Developer estimates that the total cost of the 3333 California Street Project will be approximately \$1,000,000,000 (2025 dollars), of which nearly ~~\$777,000,000~~ \$747,000,000 (2025 dollars) is estimated to be attributable to development of the private elements of the project not being financed by the EIFD ("3333 California Street Privately-Financed Elements"). The Privately-Financed Elements will be paid, or caused to be paid, by the 3333 California Street Developer without assistance from the EIFD. The following elements of the 3333 California Street Project and the associated work to prepare the 3333 California Street Project for these portions of the work constitute Facilities that are eligible for financing by the EIFD:
 - **The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the 3333 California Street Project, which is expected to cost approximately \$30 million (2025 dollars).**
- Revisions to "Description of Facilities and Development or Financial Assistance" for 3700 California Street to reflect proposed financing of demolition et al. of structures necessary to enable development of the 3700 California Street Project:
 - Total Cost of the 3700 California Street Project and Related Improvements. The 3700 California Street Developer estimates that the total cost of the 3700 California Street Project will be approximately \$800,000,000 (2025 dollars), of which nearly ~~\$738,000,000~~ \$702,000,000 (2025 dollars) is currently estimated to be attributable to development of the private elements of the project not being financed by the EIFD ("3700 California Street Privately-Financed Elements"). The 3700 California Street Privately-Financed Elements will be paid, or caused to be paid, by the 3700 California Street Developer without assistance from the EIFD. The following elements of the 3700 California Street Project and the associated work to prepare the 3700 California Street Project site for these portions of the work constitute Facilities that are eligible for financing by the EIFD:
 - **The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the 3700 California Street Project, which is expected to cost approximately \$36 million (2025 dollars).**

Substantive Updates to the September 11, 2025 Draft IFP

- Updates made to Table 5. "Estimated Costs of Facilities to be Financed by EIFD" to reflect proposed financing of demolition et al. of structures necessary to enable development of the 3333/3700 California Street Projects:

Facilities	Estimated Improvement Costs (\$millions) *	Estimated Timing (Calendar Years)	Location
<u>Demolition, abatement, stabilization, rehabilitation</u>	<u>\$30,000,000</u>	<u>2026-2031</u>	<u>3333 California Street Project</u>
Parks/Open Space	\$12,000,000	2026 - 2031	3333 California Street Project
Streets	\$20,000,000	2026 - 2031	3333 California Street Project
Site Work	\$60,000,000	2026 - 2031	3333 California Street Project
Utilities	\$26,000,000	2026 - 2031	3333 California Street Project
Affordable Housing	\$105,000,000	2027 - 2030	3333 California Street Project
<u>Demolition, abatement, stabilization, rehabilitation</u>	<u>\$36,000,000</u>	<u>2026-2029</u>	<u>3700 California Street Project</u>
Streets, Sidewalks, & Utilities	\$31,000,000	2027 <u>2026</u> - 2029	3700 California Street Project
Affordable Housing (off-site)	\$31,000,000	2027 - 2030	3700 California Street Project
Total	\$285,000,000 <u>351,000,000</u>		

Substantive Updates to the September 11, 2025 Draft IFP

- Modifications made to “Exhibit C – Facilities Eligible for Financing by the EIFD” continued
 - 1. Public improvements constructed or caused to be constructed by the 3333 California Street Developer and/or the 3700 California Street Developer, including, but not limited to, site work, streets, utilities, street trees, landscaping, and Streetscape Improvements (as defined in the Development Agreement) and costs associated with the demolition and/or rehabilitation of existing and historic buildings or components thereof.
 - 4. Parking (which may be publicly- or privately-owned) that ~~is required to be constructed to serve~~ directly serves other Facilities (including, but not limited to, affordable housing and childcare facilities). To the extent that only a portion of the parking ~~is required to be constructed to serve~~ directly serves other Facilities, then the costs of the parking that may be financed by the EIFD shall be calculated based on the square footage of the parking that ~~is required to be constructed to serve~~ directly serves other Facilities.

Substantive Updates to the September 11, 2025 Draft IFP

- Modifications made to "Exhibit C – Facilities Eligible for Financing by the EIFD" continued
 - 8. The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the Projects. **For the avoidance of doubt, because demolition, abatement, stabilization and/or rehabilitation of the existing improvements is a prerequisite to the construction and delivery of the Projects, including the creation of housing that funds the affordable housing (in-lieu or constructed) and the Facilities, all such activities and associated costs shall be considered as a cost of the Facilities.**
 - 11. **Impact Fees and Exactions, including the 3333 AWSS Community Benefit Fee. To the extent they are used to pay Actual Costs of Qualified EIFD Improvements, and subject to the provisions of the EIFD Acquisition and Financing Agreement (including, but not limited to, Section 6.4), the Jobs Housing Linkage Fee, the AWSS Community Benefit Fee, fees imposed by the City on the Projects after EIFD formation and fees imposed by the City on the Projects prior to EIFD formation that are modified by the City after EIFD formation.**



Resources & Next Steps

Date	Milestones
January 8, 2026	First Public Hearing of PFA No. 1 Consideration of Resolution Modifying Draft IFP
January 14, 2026*	Public Hearing on IFP at Budget & Finance Committee of BOS
January 27, 2026*	BOS Consideration of Resolution Approving IFP and EIFD Acquisition and Reimbursement Agreement et al.
February 12, 2026	Second Public Hearing of PFA No. 1 Consideration of Resolution Adopting IFP, Establishing 3333/3700 California Street EIFD, and Approving EIFD Acquisition and Reimbursement Agreement et al.

**Please note, dates are estimated unless otherwise noted*

For any inquiries, please contact EIFD@sfgov.org

*Additional information about the EIFD and PFA can be found
online by visiting <https://sf.gov/departments/eifd-public-financing-authority-no-1>*

Appendix

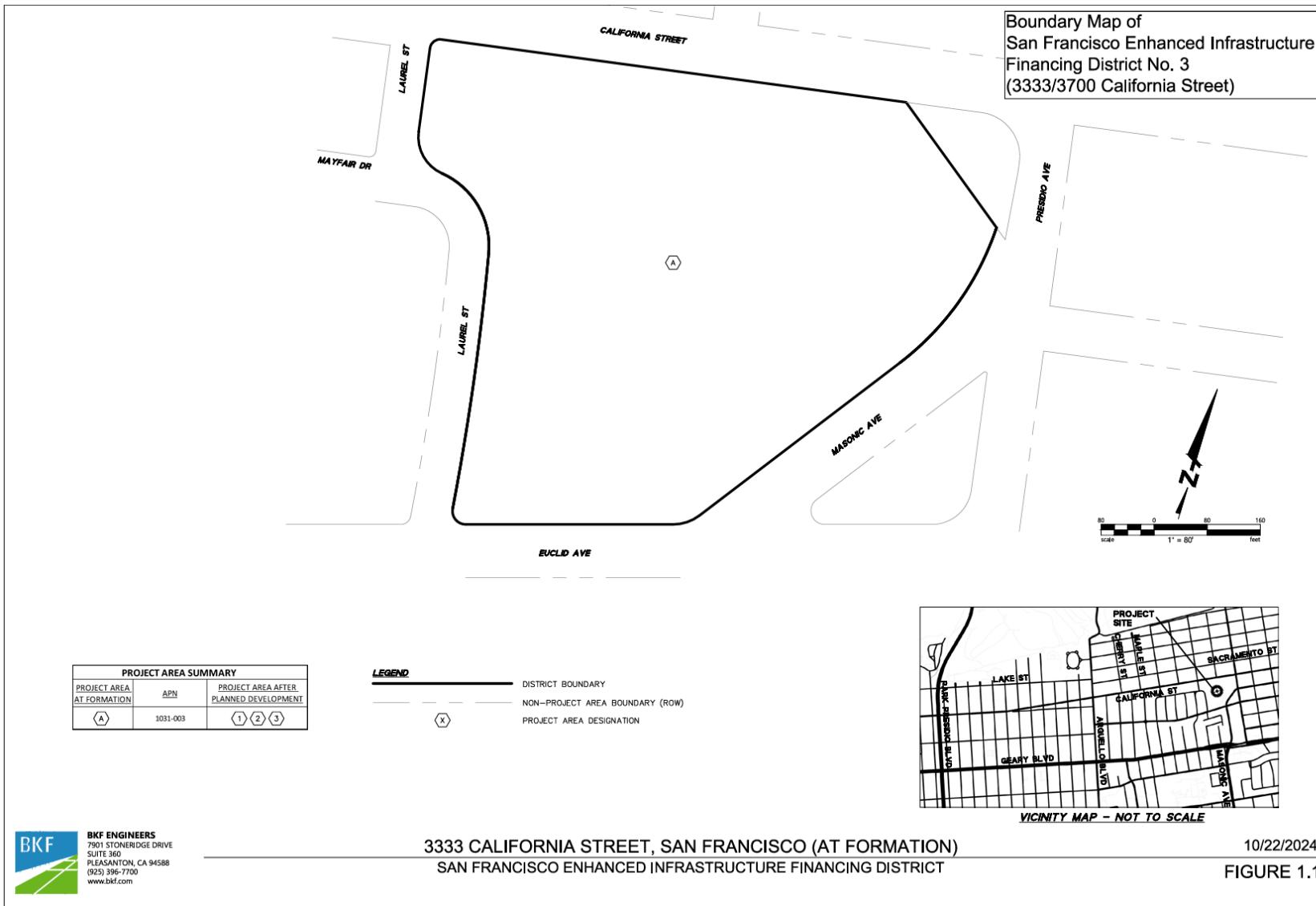
Description of 3333/3700 California Street EIFD Project Areas

- The 3333/3700 California Street EIFD will consist of four project areas at formation. Upon further subdivision of certain properties, the 3333/3700 California Street EIFD is expected to consist of six project areas.

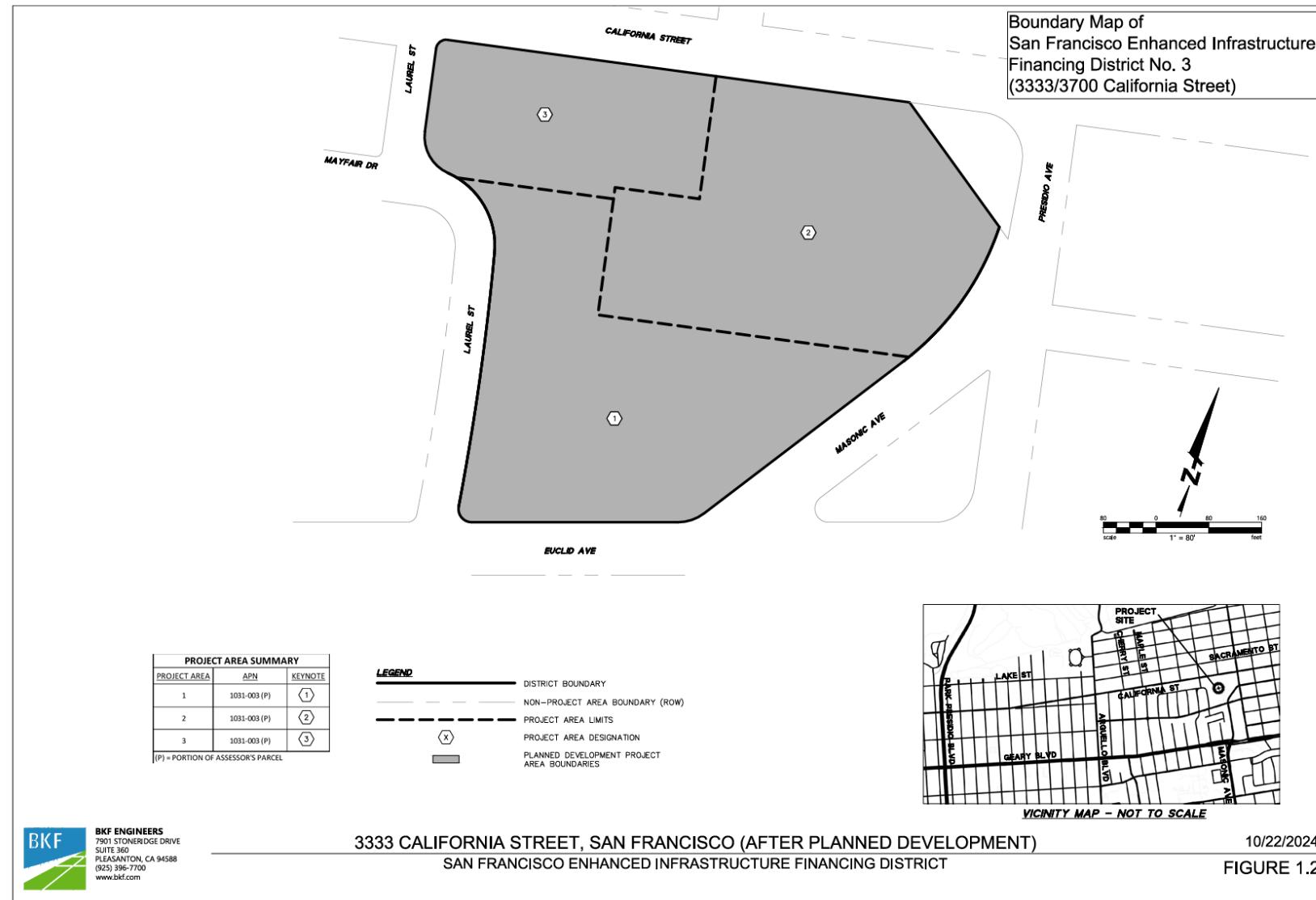
Project Area at Formation of EIFD	Project Area After Subdivision	APN at Formation ¹	APN Square Feet	FY 2025/26 Assessed Value
Project Area A	Project Area 1			
	Project Area 2	1032-003	447,360	\$106,486,964
	Project Area 3			
Project Area 4	Project Area 4	1015-052 and 1015-053	32,619	\$9,436,428
Project Area 5	Project Area 5	1016-001, 1016-002, 1016-003, 1016-004, 1016-005, 1016-006, 1016-007, 1016-008, 1016-009	109,390	\$29,672,208
Project Area 6	Project Area 6	1017-027 and 1017-028	68,949	\$10,024,254
Total			658,318	\$155,619,854

¹ The property's taxable value will reflect the property's gross value of \$106,486,964, without regard to any exemptions related to a recently-terminated lease with the University of California, San Francisco. At formation of the EIFD, the assessed value of all Project Areas will be \$155,619,854.

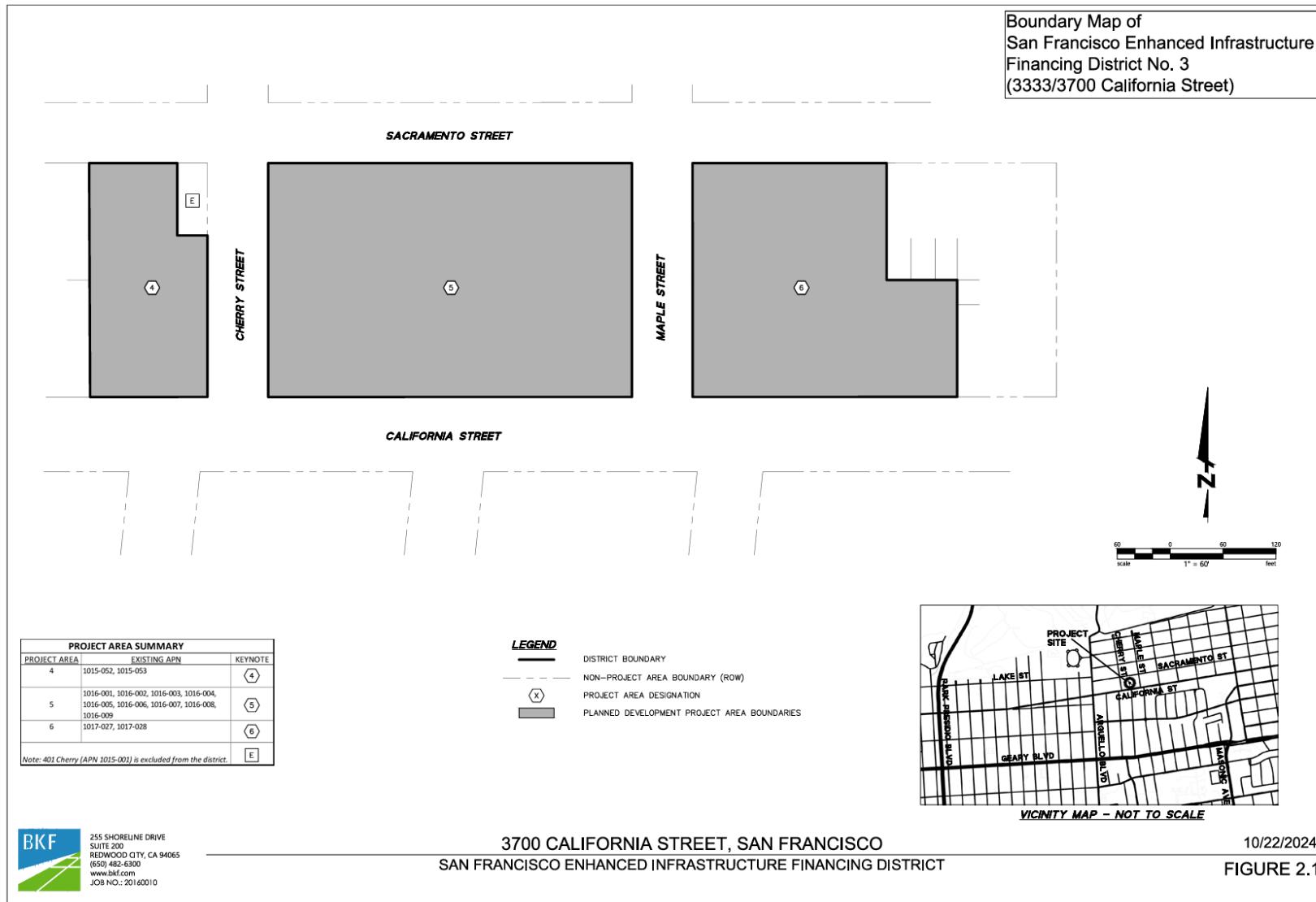
3333 California Street Map at Formation



3333 California Street Anticipated Map After Subdivision



3700 California Street Map



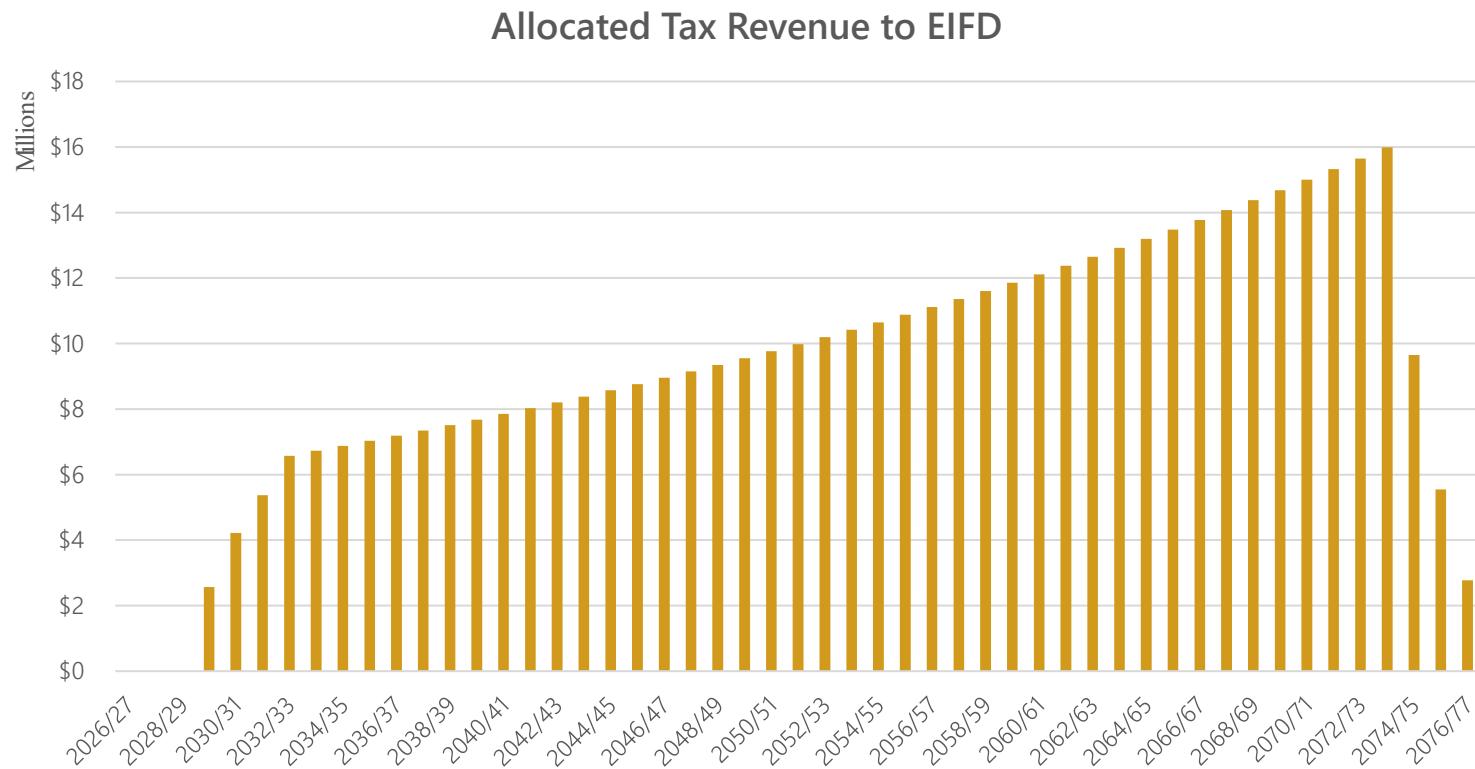
Finding of Communitywide Significance

Communitywide Significance Finding (See Section C of IFP for details)

- Finding that the formation of the 3333/3700 California Street EIFD will enable the development of the 3333/3700 California Street Project, which will provide clear benefits to the public and neighboring communities, including:
 - i. affordable housing in excess of the number of units required pursuant to existing City ordinances, regulations, and policies
 - ii. workforce obligations, including significant training, employment, and economic development opportunities, related to the development and operation of the 3333/3700 California Street Project
 - iii. construction and maintenance of publicly accessible open space, totaling approximately 2.87 acres
 - iv. delivery of childcare spaces
 - v. measures to prioritize and promote travel by walking, biking, and transit and Streetscape Improvements
- Financed facilities that are not physically located in the boundaries of the 3333/3700 California Street EIFD (including affordable housing) have a tangible connection to the work of the EIFD

Financing Section

Projection of Allocated Tax Revenues



- Allocated Tax Revenue is projected to total \$477.3 million and Conditional Tax Revenue is projected to total \$342.1 million across all Project Areas
- For each project area, the 45-year clock commences once \$100k of increment in a given fiscal year is allocated

Fiscal Impact Analysis (FIA)

The FIA was prepared by Economic & Planning Systems, Inc. (EPS) and peer reviewed by Keyser Marston Associates (KMA)

A FIA was prepared for the project sponsor, at the request of the City

- Assuming the project achieves the sponsor's performance projections, the 3333/3700 California Street EIFD is estimated to annually generate a \$1.4 million net fiscal benefit to the City's General Fund at project buildout, net of tax revenues to be allocated to the EIFD
- Given market dynamics, the City requested a sensitivity analysis; the analysis indicates that the Project can withstand a 23% decline in performance before it will generate a net negative fiscal impact to the City's General Fund.

Revenue/Expense Category	Phase 1	Phase 2	Buildout
General Fund			
Annual GF Revenues After Baseline Funding	\$4,282,000	\$2,475,000	\$6,757,000
<u>(Less) General Fund Expenditures</u>	<u>\$3,598,000</u>	<u>\$1,769,000</u>	<u>\$5,367,000</u>
Net Annual Impact on General Fund	\$683,000	\$707,000	\$1,390,000
MTA Fund			
MTA General Fund Baseline Funding	\$575,000	\$332,000	\$907,000
<u>(Less) MTA General Fund Expenses</u>	<u>\$462,000</u>	<u>\$140,000</u>	<u>\$602,000</u>
Net Impact on the MTA Fund	\$113,000	\$192,000	\$305,000
Total Fiscal Benefit Estimate	\$796,000	\$3,827,000	\$1,695,000