

Date: November 6, 2020  
To: SoMa CAC  
From: Mat Snyder, Planning Department  
Subject: Proposed SoMa Expenditure Plan

Attached please find the proposed SoMa IPIC Expenditure Plan for FY22 through FY26. We previously shared with you a summary of this data to compare expected revenue with total expected costs (as shown in the SoMa Implementation Document) with proposed costs.

This spreadsheet provides roughly the same data but shows expected cash flow on a year-to-year basis. The first page breaks revenue source. SoMa revenue include (1) the Eastern Neighborhood Infrastructure Fee for those projects in SoMa; (2) new Central SoMa fees created by the Central SoMa Plan; and (3) the Mello Roos (or CFD) revenue that will be realized by the new Central SoMa Community Facilities District, also created by the Central SoMa Plan.

Each following page includes expenditure category with itemized expenditures. The first column after "Agency" provides the figures for infrastructure projects that have already been appropriated in past years ("Through FY20") through IPIC and the EN CAC. The following five columns (FY22 – FY26), provide figures for proposed expenditures on a year-to-year basis. Each category provides the figures for total revenue, expenditure, annual balance, and cumulate balance. For this year, the most important column is "FY22" since this is the year for which expenditure line items will be committed to - or appropriated - through the City's budget process.

A couple things to note and revenue projections: Planning staff has tried to strike a balance between being realistic while at the same time being optimistic. By being optimistic and assuming as much revenue as realistically possible, we can appropriate expenditures in the early years, so if the revenue does come in, the agencies will be able to move forward on the project. We have tried to be realistic by pushing back revenue we know won't be coming in due to know facts and have reduced revenue by 20% over the next five years to give us some cushion.

Planning staff understands that there is a proposal to reintroduce the fee deferral program, which would potentially allow development projects to defer most of their fee payments until after construction completion (currently they are required to pay fees just prior to starting construction). This could potentially mean that much of the revenue in any given year would not be realized for roughly two years after they are currently projected.

Staff would like the CAC to endorse the Expenditure Plan at your coming meeting if you are so inclined. Staff is happy to answer any questions you have.