

MEMORANDUM

Date: October 17, 2019

From: Mat Snyder

To: Eastern Neighborhoods CAC Members

Subject: Proposed Eastern Neighborhoods IPIC Expenditure Plan for FY21 through FY25

Please find the attached working version of the Eastern Neighborhoods IPIC Expenditure Plan ("EP") for FY21 Through FY25. I will provide with an overview of the EP at your October 21, 2019 regular meeting. Planning staff will request that you take an action to endorse the EP at your November regular meeting.

As you know, we have been discussing the split of the "Eastern Neighborhoods" between the SoMa neighborhoods and the "southern" neighborhoods -- or Mission, Showplace/Potrero and Dogpatch/Central Waterfront. Going forward, we will refer to the "southern" neighborhoods as the Eastern Neighborhoods. The attached EP only includes revenue and expenditures for the newly constituted Eastern Neighborhoods.

Below are a few things to note about the EP:

1. Revenue for FY19 and prior reflect actual revenue, while revenue for FY20 and after reflect projected revenue largely based on development applications in the Planning Department's pipeline.
2. Expenditures for FY20 and prior have been officially appropriated through the City's budget process, which means the respective agencies have authority to begin work on the projects. Expenditures in FY21 and after can potentially be adjusted in future appropriation budget cycles.
3. We expect a short term "appropriation deficit" through FY21. Short term appropriation deficit means that we had officially budgeted more expenditures than we ended up receiving revenue. In other words, there are project line items that have budget appropriations but have not received the cash to start the work. This means we need to look at previously appropriated expenditures and prioritize them for cash transfers. The reason why the appropriation deficit reaches through FY21 is because we were overly optimistic on revenue projections last year; some projects for which we anticipated revenue in FY21 have converted to 100% affordable housing projects or do not appear to be moving forward.

A list of such projects are provided as an attachment to the Expenditure Plan. Staff has consulted with the agencies and ordered the list in terms of the agencies' cash needs. Note that many of the projects at the bottom of the list are Rec and Park projects. Rec and Park have indicated that while they are committed to the listed projects, they do not immediately need cash for them and are willing to defer the respective cash transfers. Staff welcomes any feedback on the ordering of the list.

4. Although we expect a shorter-term appropriation deficit, we expect a longer-term revenue surplus; this surplus is reliant on a couple of large-scale projects, most notably the Recology project for which we are projecting revenue in FY25. If this does occur (and other large-scale pipeline projects also pay their fees), there will be an additional \$22M available for other infrastructure projects at the end of FY25. FY25 surpluses are shown in red boxes. This surplus

would include approximately \$726K for transit, \$14M for complete streets, and \$4.3M for parks and open space.

5. The identified expenditure line items are mostly unchanged from last year's EP. Changes are shown in red bold underline. The only substantive changes include the following: (1) funding for Jose Coronado Playground have been zero'd out (improvements were made for Jose Coronado without the need for IPIC funds); (2) funding for Juri Commons Playground has been increased by \$175K in FY21 for a total of \$1M; and (3) funding for Jackson Park has been increased by \$6.36M a total of \$8M.

We welcome your feedback and questions about the EP and planned projects.

	Non Soma	THROUGH FY19	FY 20 (CURRENT YEAR)	FY 21 (BUDGET YEAR)	FY 22	FY 23	FY 24	FY 25	FY21 - FY 25	THROUGH FY 25	FY 26 - FY 30	THROUGH FY 30	Comparison (Jan 2019)
a	EN - Non-Soma												
	HOUSING (Mission)	\$ 1,765,000	\$ 669,000	\$ 961,000	\$ 208,000	\$ 5,631,000	\$ -	\$ -	\$ 6,800,000	\$ 9,234,000	\$ -	\$ 9,234,000	\$ 9,948,000
	TRANSPORTATION / TRANSIT	\$ 12,840,292	\$ 2,119,000	\$ 480,000	\$ 1,017,000	\$ 997,000	\$ 430,000	\$ 7,052,000	\$ 9,976,000	\$ 24,935,292	\$ 2,248,000	\$ 27,183,292	\$ 22,600,000
	COMPLETE STREETS	\$ 13,252,914	\$ 2,890,000	\$ 857,000	\$ 2,434,000	\$ 1,761,000	\$ 1,332,000	\$ 8,276,000	\$ 14,660,000	\$ 30,802,914	\$ 5,550,000	\$ 36,352,914	\$ 29,479,000
	RECREATION AND OPEN SPACE	\$ 22,570,612	\$ 3,580,000	\$ 1,251,000	\$ 3,505,000	\$ 3,053,000	\$ 2,041,000	\$ 7,874,000	\$ 17,724,000	\$ 43,874,612	\$ 7,995,000	\$ 51,869,612	\$ 47,634,000
	CHILDCARE	\$ 3,156,697	\$ 496,000	\$ 156,000	\$ 482,000	\$ 315,000	\$ 279,000	\$ 1,200,000	\$ 2,432,000	\$ 6,084,697	\$ 1,106,000	\$ 7,190,697	\$ 6,450,000
	ADMIN	\$ 2,638,867	\$ 514,000	\$ 196,000	\$ 403,000	\$ 619,000	\$ 215,000	\$ 1,285,000	\$ 2,718,000	\$ 5,870,867	\$ 893,000	\$ 6,763,867	\$ 5,910,000
	Total	\$ 56,224,381	\$ 10,268,000	\$ 3,901,000	\$ 8,049,000	\$ 12,376,000	\$ 4,297,000	\$ 25,687,000	\$ 54,310,000	\$ 120,802,381	\$ 17,792,000	\$ 138,594,381	\$ 122,290,000

	Non Soma	THROUGH FY19	FY 20 (CURRENT YEAR)	FY 21 (BUDGET YEAR)	FY 22	FY 23	FY 24	FY 25	FY21 - FY 25	THROUGH FY 25	FY 26 - FY 30	THROUGH FY 30	
	Housing												
	Revenue	\$ 1,765,000	\$ 669,000	\$ 961,000	\$ 208,000	\$ 5,631,000	\$ -	\$ -	\$ 6,800,000	\$ 9,234,000	\$ -	\$ 9,234,000	
	Expenditure												
3	Mission	\$ 1,589,000	\$ 669,000	\$ 961,000	\$ 208,000	\$ 5,631,000	\$ -	\$ -	\$ 6,800,000	\$ 9,058,000	\$ -	\$ 9,058,000	\$ 9,523,000
	Expenditure Non-Soma	\$ 1,589,000	\$ 669,000	\$ 961,000	\$ 208,000	\$ 5,631,000	\$ -	\$ -	\$ 6,800,000	\$ 9,058,000	\$ -	\$ 9,058,000	\$ 9,523,000
	Category Balance Per Year - Non-Soma	\$ 176,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,000	\$ -	\$ 176,000	
	Category Cumulative Balance Per Year - Non-Soma	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	

Transportation / Transit

	Revenue Non-Soma		\$ 12,840,292	\$ 2,119,000	\$ 480,000	\$ 1,017,000	\$ 997,000	\$ 430,000	\$ 7,052,000	\$ 9,976,000	\$ 24,935,292	\$ 2,248,000	\$ 27,183,292	
	Expenditure													
9	17th Street / 22-Fillmore Improvements	MTA	\$ 17,844,000	\$ 2,575,000	\$ 985,000	\$ -	\$ -	\$ -	\$ -	\$ 985,000	\$ 21,404,000	\$ -	\$ 21,404,000	\$ 21,404,000
12	22nd Street Green Connections	DPW	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
13	Potrero Avenue Streetscape	DPW	\$ 1,418,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,418,000	\$ -	\$ 1,418,000	\$ 1,418,000
14	Pedestrian, Bicycle, and Streetscape Enhancement Fund	DPW	\$ 290,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,000	\$ -	\$ 290,000	\$ 290,000
15	Transit Enhancement Fund - Non-Soma	MTA	\$ 170,000			\$ 527,000	\$ 250,000	\$ -	\$ -	\$ 777,000	\$ 947,000	\$ -	\$ 947,000	\$ 3,399,000
	Expenditure Non-Soma		\$ 19,872,000	\$ 2,575,000	\$ 985,000	\$ 527,000	\$ 250,000	\$ -	\$ -	\$ 1,762,000	\$ 24,209,000	\$ -	\$ 24,209,000	\$ 26,661,000
	Category Balance Per Year - Non-Soma		\$ (7,031,708)	\$ (456,000)	\$ (505,000)	\$ 490,000	\$ 747,000	\$ 430,000	\$ 7,052,000	\$ 8,214,000	\$ 726,292	\$ 2,248,000	\$ 2,974,292	
	Category Cumulative Balance Per Year - Non-Soma		\$ (7,031,708)	\$ (7,487,708)	\$ (7,992,708)	\$ (7,502,708)	\$ (6,755,708)	\$ (6,325,708)	\$ 726,292	\$ 726,292	\$ 726,292	\$ 2,974,292	\$ 2,974,292	

Complete Streets

	Revenue Non-Soma		\$ 13,252,914	\$ 2,890,000	\$ 857,000	\$ 2,434,000	\$ 1,761,000	\$ 1,332,000	\$ 8,276,000	\$ 14,660,000	\$ 30,802,914	\$ 5,550,000	\$ 36,352,914	
	Expenditure													
22	22nd Street Green Connections	DPW	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000
25	Bartlett Street / Mission Mercado	DPW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Central Waterfront Short Term Pedestrian Improvements	DPW	\$ 183,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,000	\$ -	\$ 183,000	\$ 183,000
27	Pedestrian, Bicycle, and Streetscape Enhancement Fund *	DPW	\$ 2,939,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,939,000	\$ -	\$ 2,939,000	\$ 2,939,000
28	The Loop Phase 1 (17th Street)	DPW	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
29	Central Waterfront/Dogpatch , Showplace/Potrero Streetscape Project	DPW	\$ 6,133,000	\$ -		\$ 2,241,000	\$ 1,074,000	\$ -	\$ -	\$ 3,315,000	\$ 9,448,000	\$ -	\$ 9,448,000	\$ 9,448,000
29.1	Treat Plaza	DPW	\$ 1,011,000							\$ -	\$ -	\$ -	\$ 1,011,000	\$ 739,000
	Expenditure Non-Soma		\$ 13,466,000	\$ -	\$ -	\$ -	\$ 2,241,000	\$ 1,074,000	\$ -	\$ 3,315,000	\$ 15,770,000	\$ -	\$ 16,781,000	\$ 16,509,000
	Category Balance Per Year - Non-Soma		\$ (213,086)	\$ 2,890,000	\$ 857,000	\$ 2,434,000	\$ (480,000)	\$ 258,000	\$ 8,276,000	\$ 11,345,000	\$ 15,032,914	\$ 5,550,000	\$ 19,571,914	
	Category Cumulative Balance Per Year - Non-Soma		\$ (213,086)	\$ 2,676,914	\$ 3,533,914	\$ 5,967,914	\$ 5,487,914	\$ 5,745,914	\$ 14,021,914	\$ 14,021,914	\$ 14,021,914	\$ 19,571,914	\$ 19,571,914	

Recreation and Open Space

Revenue Non-Soma			\$ 22,570,612	\$ 3,580,000	\$ 1,251,000	\$ 3,505,000	\$ 3,053,000	\$ 2,041,000	\$ 7,874,000	\$ 17,724,000	\$ 43,874,612	\$ 7,995,000	\$ 51,869,612	
Expenditure														
34	17th and Folsom Park	RPD	\$ 3,160,000	\$ -	\$ -	\$ -	\$ -			\$ -	\$ 3,160,000	\$ -	\$ 3,160,000	\$ 3,160,000
36	Franklin Square Par-Course	RPD	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ 210,000	\$ 210,000
38	Potrero Recreation Center *	RPD	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,080,000	\$ -	\$ 1,080,000	\$ 1,080,000
40	Mission Recreation Center	RPD	\$ 1,940,000	\$ -			\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	\$ 3,740,000	\$ -	\$ 3,740,000	\$ 3,740,000
41	Jackson Playground	RPD	\$ 1,640,000	\$ -	\$ -		\$ -	\$ 3,224,000	\$ 3,136,000	\$ 6,360,000	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 1,640,000
42	Garfield Square Aquatic Center *	RPD	\$ 8,738,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,738,000	\$ -	\$ 8,738,000	\$ 8,738,000
43	Juri Commons	RPD	\$ 825,000	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 825,000
44	Jose Coronado Playground	RPD	\$ 1,363,000	\$ 170,000	\$ (1,533,000)	\$ -	\$ -	\$ -	\$ -	\$ (1,533,000)	\$ -	\$ -	\$ -	\$ 1,869,000
46	Central Waterfront Recreation and Open Space	RPD	\$ 500,000	\$ 2,256,000			\$ -	\$ -	\$ -	\$ -	\$ 2,756,000	\$ -	\$ 2,756,000	\$ 2,756,000
47	Esprit Park	RPD	\$ 2,711,000							\$ -	\$ 2,711,000	\$ -	\$ 2,711,000	\$ 2,710,700

Non Soma		THROUGH FY19	FY 20 (CURRENT YEAR)	FY 21 (BUDGET YEAR)	FY 22	FY 23	FY 24	FY 25	FY21 - FY 25	THROUGH FY 25	FY 26 - FY 30	THROUGH FY 30	Comparison (Jan 2019)
48	The Loop Phase 1 (CalTrans ROW)	DPW	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000	\$ 1,250,000
49	Community Challenge Grant	ADMIN	\$ 825,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,000,000	\$ 2,025,000	\$ -	\$ 2,025,000	\$ 3,025,000
50	Bond Planning and Implementation	RPD	\$ -	\$ -	\$ -	\$ -	\$ 1,427,036	\$ 170,466	\$ -	\$ 1,597,502	\$ 1,597,502	\$ -	\$ 1,597,502
51	Daggett Park (In-Kind)	IN-KIND	\$ 2,370,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,370,000	\$ -	\$ 2,370,000	\$ 2,370,000
52	Dogpatch Art Plaza (In-Kind)	IN-KIND	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ 850,000	\$ 850,000
Expenditure Non-Soma			\$ 27,462,000	\$ 2,626,000	\$ (1,158,000)	\$ 200,000	\$ 3,427,036	\$ 3,594,466	\$ 3,336,000	\$ 9,399,502	\$ 39,487,502	\$ -	\$ 39,487,502
Category Balance Per Year - Non-Soma			\$ (4,891,388)	\$ 954,000	\$ 2,409,000	\$ 3,305,000	\$ (374,036)	\$ (1,553,466)	\$ 4,538,000	\$ 8,324,498	\$ 4,387,110	\$ 7,995,000	\$ 12,382,110
Category Cumulative Balance Per Year - Non-Soma			\$ (4,891,388)	\$ (3,937,388)	\$ (1,528,388)	\$ 1,776,612	\$ 1,402,576	\$ (150,890)	\$ 4,387,110	\$ 4,387,110	\$ 4,387,110	\$ 12,382,110	\$ 12,382,110

Childcare

Revenue Non-Soma			\$ 3,156,697	\$ 496,000	\$ 156,000	\$ 482,000	\$ 315,000	\$ 279,000	\$ 1,200,000	\$ 2,432,000	\$ 6,084,697	\$ 1,106,000	\$ 7,190,697
Expenditure													
57	OECE Childcare NOFA Program - Non-Soma	OECE	\$ 2,664,017	\$ 250,206	\$ (250,000)	\$ 263,853	\$ 168,352	\$ 194,490	\$ 35,000	\$ 411,695	\$ 3,325,918	\$ 868,982	\$ 4,194,900
59	Potrero Launch Childcare Center (In-Kind)	IN-KIND	\$ 1,916,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,916,000	\$ -	\$ 1,916,000
Expenditure Non-Soma			\$ 4,580,017	\$ 250,206	\$ (250,000)	\$ 263,853	\$ 168,352	\$ 194,490	\$ 35,000	\$ 411,695	\$ 5,241,918	\$ 868,982	\$ 6,110,900
Category Balance Per Year - Non-Soma			\$ (1,423,320)	\$ 245,794	\$ 406,000	\$ 218,147	\$ 146,648	\$ 84,510	\$ 1,165,000	\$ 2,020,305	\$ 842,779	\$ 237,018	\$ 1,079,797
Category Cumulative Balance Per Year - Non-Soma			\$ (1,423,320)	\$ (1,177,526)	\$ (771,526)	\$ (553,379)	\$ (406,731)	\$ (322,221)	\$ 842,779	\$ 842,779	\$ 842,779	\$ 1,079,797	\$ 1,079,797

Program Administration

Revenue Non-Soma			\$ 2,638,867	\$ 514,000	\$ 196,000	\$ 403,000	\$ 619,000	\$ 215,000	\$ 1,285,000	\$ 2,718,000	\$ 5,870,867	\$ 893,000	\$ 6,763,867
Expenditure													
Admin			\$ 2,203,082	\$ 418,481	\$ 340,262	\$ 180,653	\$ 129,945	\$ 436,288	\$ 61,971	\$ 1,149,119	\$ 3,770,683	\$ 884,155	\$ 4,654,838
Admin Transfer to Programs - Non-Soma			\$ 1,192,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,192,804	\$ -	\$ 1,192,804
Expenditure Non-Soma			\$ 2,203,082	\$ 418,481	\$ 340,262	\$ 180,653	\$ 129,945	\$ 436,288	\$ 61,971	\$ 1,149,119	\$ 3,770,683	\$ 884,155	\$ 4,654,838
Category Balance Per Year - Non-Soma			\$ 435,784	\$ 95,519	\$ (144,262)	\$ 222,347	\$ 489,055	\$ (221,288)	\$ 1,223,029	\$ 1,664,399	\$ 2,100,184	\$ 8,845	\$ 2,109,028
Category Cumulative Balance Per Year - Non-Soma			\$ 435,784	\$ 531,303	\$ 387,041	\$ 609,388	\$ 1,098,443	\$ 877,155	\$ 2,100,184	\$ 2,100,184	\$ 2,100,184	\$ 2,082,247	\$ 2,082,247
TOTAL BALANCES - Non-Soma													
68	Revenue Totals		\$ 56,224,381	\$ 10,268,000	\$ 3,901,000	\$ 8,049,000	\$ 12,376,000	\$ 4,297,000	\$ 25,687,000	\$ 54,310,000	\$ 120,802,381	\$ 17,792,000	\$ 138,594,381
69	Total Expenditures		\$ 69,172,099	\$ 6,538,687	\$ 878,262	\$ 1,379,505	\$ 11,847,333	\$ 5,299,244	\$ 3,432,971	\$ 22,837,316	\$ 97,537,102	\$ 1,753,137	\$ 100,301,240
70	Annual Surplus (Deficit)		\$ (12,947,718)	\$ 3,729,313	\$ 3,022,738	\$ 6,669,495	\$ 528,667	\$ (1,002,244)	\$ 22,254,029	\$ 31,568,202	\$ 23,265,279	\$ 16,038,863	\$ 38,293,141
72	Cummulate Suplus (Deficit)		\$ (12,947,718)	\$ (9,218,405)	\$ (6,195,667)	\$ 473,827	\$ 1,002,494	\$ 250	\$ 22,254,279	\$ 22,254,279	\$ 22,254,279	\$ 38,266,360	\$ 38,266,360

Note that cumulative deficits (Line 72, Fiscal Years 2019 through 2021) are appropriation deficits and not cash deficits. Appropriation deficits indicate that there has been more expenditures cumulatively appropriated through the budget process than actual revenue cumulatively received. Having an appropriation deficit means that some previously appropriated projects need to wait for additional revenue before receiving cash. See the attached list for previously and currently appropriated (through FY20) projects that have not yet received cash.

LIST OF EN PROJECTS FOR WHICH CASH IS OWED THROUGH FY20

IPIC LINE ITEM	EXPENDITURE TITLE	CATEGORY	AGENCY	OWED AT END OF FY19	FY 20 (CURRENT YEAR APPROPRIATION)	TOTAL OWED
EN-29.1	Treat Plaza	Complete Streets	PW	\$ 711,000		\$ 711,000
EN-58	OECE Childcare NOFA Program	Child Care	OECE	\$ 1,119,000	\$ 250,000	\$ 1,029,500
EN-28	The Loop Phase 1 (17th Street)	Complete Streets	PW	\$ 200,000	\$ -	\$ 200,000
EN-49	Community Challenge Grant	Rec / Open Space	ADM	\$ -	\$ 200,000	\$ 200,000
EN-9	16th Street / 22-Fillmore Improvements	Transit	MTA	\$ -	\$ 2,575,000	\$ 2,575,000
EN-29	Central Waterfront/Dogpatch , Showplace/Potrero Streetscape Project	Complete Streets	PW	\$ 6,133,000	\$ -	\$ 6,133,000
EN-48	The Loop Phase 1 (CalTrans ROW)	Rec / Open Space	PW	\$ 1,250,000	\$ -	\$ 1,250,000
EN-15	Transit Enhancement Fund	Transit	MTA	\$ 326,000		\$ 169,000
EN-40	Mission Recreation Center	Rec / Open Space	RPD	\$ 940,000	\$ -	\$ 940,000
EN-41	Jackson Playground	Rec / Open Space	RPD	\$ 1,000,000	\$ -	\$ 1,000,000
EN-46	Central Waterfront Recreation and Open Space	Rec / Open Space	RPD	\$ 500,000	\$ 2,256,000	\$ 2,756,000
TOTAL				\$ 12,179,000	\$ 5,281,000	\$ 16,963,500