



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 22, 2016

Mr. John Arntz
Department of Elections
City Hall, Room 48
Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: Proposition O – Development in Candlestick Point and Hunters Point Shipyard

Dear Mr. Arntz,

Should the proposed ordinance be approved by the voters, in my opinion, it would likely result in the acceleration of new office construction in the City that could otherwise be prohibited for several years. The ordinance would therefore likely result in a period of higher tax revenues offset in part by higher City costs required to serve a higher number of workers in the City. Actual City revenues and costs would depend on a host of future factors, including the overall pace of office construction in the City, the specific projects that might occur more rapidly as a result of the measure, and the specific revenues and costs resulting from those projects.

The proposed ordinance would modify sections of the San Francisco Planning Code previously implemented by Proposition M, passed by the voters in 1986, to exclude office development on specific properties within the Candlestick Point and Hunters Point Shipyard (CP/HPS) redevelopment area from the square footage limitations and administrative approvals required under Proposition M. Further, the proposed ordinance would exclude any office development in the specified area from counting towards the overall annual citywide limit.

While the annual limit established in Proposition M has never been reached, the Planning Department expects that this limit will be reached in the coming year due to unusually high demand for office space. Thus, the proposed ordinance would allow the development of additional CP/HPS office space in any year in which the annual limit is reached. In general, developing property for office uses increases property assessed value, and thus property tax revenue to the City. Other tax revenues are also generated through the use of office properties. The revenues resulting from these projects would likely be partially offset by higher City transit and other costs required to serve a higher number of workers in the City.

Sincerely,

A handwritten signature in black ink, appearing to be "B. Rosenfield", written over a large, loopy flourish.

Ben Rosenfield
Controller