CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: September 10, 2025 Budget and Finance Committee Meeting

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Item 1 File 25-0752	**Departments:** Arts Commission Children, Youth & Their Families Office of Economic and Workforce Development Public Works Municipal Transportation Agency

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance would de-appropriate $400,000 from District 7 General City Responsibility and $14,303 from the Department of Public Works and re-appropriate the funds to the following Departments: Arts Commission ($50,000), Children Youth and Families ($100,000), Office of Economic and Workforce Development ($50,000), Public Works ($164,303), and the Municipal Transportation Agency ($50,000).

Key Points

- The proposed ordinance appropriates funding for projects identified in the District 7 participatory budget process. District 7 residents were invited to submit project proposals and vote for community projects. A Review Committee composed of District residents and community members evaluated the proposals.

Fiscal Impact

- The proposed ordinance re-appropriates a total of $414,303 funding set-aside for District 7 projects.

Recommendation

- Approve the proposed ordinance.

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

Participatory budgeting is a process that gives community members an opportunity to provide input on how to spend public funds. For FY 2025-26, District 7 residents were invited to submit project proposals between February 17 to March 28, 2025, and vote for community projects from June 9 to June 22, 2025. A Review Committee composed of District residents and community members evaluated the proposals.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would de-appropriate $400,000 from General City Responsibility and $14,303 from the Department of Public Works and re-appropriate the funds to the Departments and projects shown below in Exhibit 1.

Exhibit 1: Summary of Appropriation Changes

Department	Amount	Project
Sources		
General City Responsibility	($400,000)	District 7 Projects
Public Works	($14,303)	Marietta Median Plant - Reserve
Total Sources	($414,303)	
Uses		
Public Works	$50,000	Median improvements in Monterey Heights
Public Works	$50,000	New curb ramps in Westwood Park
Public Works	$50,000	Sidewalk repair in Ingleside Terraces
Public Works	$14,303	Westwood Park Pillars
Children, Youth & Their Families	$50,000	Update playground and black top at West Portal Elementary School
Children, Youth & Their Families	$50,000	Mural and signage updates at Commodore Sloat Elementary
Office of Economic and Workforce Development	$50,000	Series of art pop ups on Ocean Avenue
Arts Commission	$50,000	Mural on Monterey Boulevard
Municipal Transportation Agency	$50,000	Daylighting and bollards in Sunnyside
Total Uses	**$414,303**	

Source: Proposed Ordinance

FISCAL IMPACT

The proposed ordinance would de-appropriate $400,000 from General City Responsibility and $14,303 from the Department of Public Works and re-appropriate the funds to the following Departments: Public Works ($164,303), Children, Youth and Their Families ($100,000), Office of Economic and Workforce Development ($50,000), Arts Commission ($50,000), and the Municipal Transportation Agency ($50,000).

Funding Source

The FY 2025-26 – FY 2026-27 Annual Appropriation Ordinance includes $400,000 for District 7 projects. The $14,303 in funding from the Department of Public Works was appropriated in a prior budget.

RECOMMENDATION

Approve the proposed ordinance.

Item 2 File 25-0773	Department: San Francisco International Airport (Airport)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve Modification No. 5 to the Airport's project management support services contract with AGS, Inc. (AGS), increasing the amount of the contract by $2,850,000 for a total not to exceed $12,500,000, and extending the term by an additional six months from June 27, 2026, for a total term of June 16, 2020 through December 31, 2026.

Key Points

- Under the International Terminal Building Phase 2 Project (the Project), the Airport is renovating and consolidating the Customs and Border Protection operations and Federal Inspection Services' primary immigration screening areas. The project includes new automated exit lane zones, replacement of two separate screening facilities in each boarding area, and expansion of international baggage capacity.
- In November 2019, the Airport issued a Request for Proposals (RFP) to award a project management support services contract for the International Terminal Building Phase 2 Project. AGS was deemed the highest scoring proposer and was awarded a contract for a term of 40 months and an amount not to exceed $4,880,000. From September 2023 to October 2024, the Airport executed four modifications to the contract.
- Under the contract, AGS would support Airport staff with project management and oversight, as well as reporting on program data. The contract's scope of services includes project controls, managing project cost and schedule information, providing project budget analysis and cost estimating services, and preparing monthly project status reports.
- The most recent performance evaluation completed in March 2025 found that AGS met or exceeded expectations in all areas except for communication, which the contractor is working to improve.

Fiscal Impact

- The proposed modification would increase the amount of the AGS contract by $2,850,000 for a total not to exceed $12.5 million. The proposed contract increase will fund a total of 8.0 FTE during the construction phase (to March 2026) and 4.5 FTE during the closeout phase (from March to December 2026). The contract is funded by Airport revenue bonds.
- The contract increase is driven by increases in the overall project budget, which has doubled due to the transfer of scope from other contracts/projects, other scope changes requested by Customs and Border Protection, and cost escalation. The proposed contract as a share of the total project budget (4.2 percent) is comparable to the share estimated in the 2019 RFP (4.5 percent).

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

International Terminal Building Phase 2 Project

Adopted in October 2023, the Airport's FY 2023-24 – FY 2024-25 $11 billion Capital Improvement Plan consists of two programs: (1) the $8 billion Ascent Program – Phase 1.5[1] and (2) the $3 billion Infrastructure Projects Plan[2]. The International Terminal Building Phase 2 Project is a part of the Ascent Program and aims to improve the international arrivals passenger experience by renovating and consolidating the Customs and Border Protection operations and Federal Inspection Services' primary immigration screening areas. This includes providing four new automated exit lane zones, replacing two separate screening facilities in each boarding area, and expanding international baggage capacity from 10 to 12 baggage carousels. According to the Airport, the current total International Terminal Building Phase 2 Project budget is $297.2 million[3]. The Airport states that $193.6 million (or approximately 65.1 percent) has been expended to date, and the project is currently in the construction phase with a scheduled opening in June 2026. The Airport states that 67 percent of construction has been completed to date with a projected project closeout date of December 31, 2026[4]. As discussed below, the project was delayed due to the COVID-19 pandemic, and the project budget has doubled due to the transfer of scope from other contracts/projects, other scope changes requested by Customs and Border Protection, and cost escalation.

Procurement of Project Management Support Services Contract

In November 2019, the Airport issued a Request for Proposals (RFP) to award a project management support services contract for the International Terminal Building Phase 2 Project. The Airport received six proposals, with one disqualified from evaluation for not meeting Local Business Enterprise (LBE) participation requirements. A three-member selection panel scored the

[1] This consists of a fixed set of 27 projects (within 17 project categories) with an estimated completion in FY 2029-30.

[2] This consists of a dynamic set of projects that can be updated bi-annually to include newly emerging needs. The total budget of the program is approximately $3 billion over two years and currently consists of 218 projects (within 29 project categories)

[3] According to the Capital Improvement Plan Update presentation at the April 22, 2024 Capital Planning Committee meeting, the total International Terminal Building Phase 2 Project budget is $289.5 million. The Airport states the current total budget of $297.2 million includes scope of work from other related approved capital projects that has been incorporated into the Phase 2 Project. This includes a new Global Entry Office, shell space for two concessions, relocation of the Customs and Border Protection's Special Response Team, and wayfinding signage.

[4] The original project end date was October 16, 2023.

proposals, as shown in Exhibit 1 below.[5] Proposals were evaluated based on experience/qualifications (80 points), organization and key personnel (120 points), project approach (100 points), and an oral interview (250 points). The proposed term of the contract in the RFP was 40 months with an estimated amount of $6.7 million.

Exhibit 1: Proposals and Scores from RFP

Proposer	Score (550 Possible Points)
AGS, Inc.	538.27
ITB Refresh Phase 2 Joint Venture	503.82
Allen Group, LLC/Hollins Consulting, Inc. Joint Venture	421.04
Cumming Management Group, Inc.	155.00
Studio 151, LLC	154.00

Source: Airport

AGS, Inc. (AGS) was deemed the highest scoring proposer and was awarded a contract. In June 2020, the Airport Commission approved a contract with AGS for a term of 40 months and an amount not to exceed $4,880,000. Because of the pandemic's impact on Airport finances, the Airport suspended most of the International Terminal Building Phase 2 scope of work in October 2020. This suspension ended on January 30, 2023. In September 2023, the Airport Commission approved Modification No. 1 to the contract, which increased the amount by $4,770,000 to a not to exceed $9,650,000, extended the contract term through June 27, 2026, and made several administrative modifications[6]. In April 2024, the Airport executed Modification No. 2 to add a new subcontractor and update standard contractual provisions. In June 2024, the Airport executed Modification No. 3 to add a new classification and update the range of labor rates. In October 2024, the Airport executed Modification No. 4 to add a new subcontractor, update the calculation of charges and method of payment in Appendix B, and revise the labor and overhead rates and fees[7]. Because the contract was less than $10 million and less than 10 years, the contract and subsequent modifications did not require Board of Supervisors' approval. In July 2025, the Airport Commission approved Modification No. 5 to the contract to extend the contract by an additional six months from June 27, 2026 through December 31, 2026 and increased the not to exceed amount to $12.5 million.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Modification No. 5 to the Airport's project management support services contract with AGS, Inc. (AGS), increasing the amount of the contract by $2,850,000 for a total not to exceed $12.5 million, and extending the term by an additional six months from June 27, 2026, for a total term of June 16, 2020 through December 31, 2026.

[5] The selection panel consisted of a Project Manager at the Airport, a Project Manager at the San Francisco Public Utilities Commission, and the Aviation Planning and Development Manager at the Oakland Port Authority.

[6] This includes revising the range of rates to adjust for CPI increases, adding new rates and classifications, allowing for a 2 percent markup on first-tier subcontractor invoices, and revising standard contractual provisions

[7] The Airport states that overhead rates were changed to align with the Airport's standard practice, which is to base overhead rates on audited rates (or financial statements if audits are not available).

Services

Under the contract, AGS would support Airport staff with project management and oversight, as well as reporting on program data, for the International Terminal Building Phase 2 Project. The contract's scope of services includes project controls, managing project cost and schedule information, providing project budget analysis and cost estimating services, and preparing monthly project status reports. Contract staff would also provide project management, administration and oversight services during the design, construction and closeout phases of the project, including conducting final field inspections. The proposed Modification No. 5 would not change the scope of services.

As detailed in the contract's Appendix B, compensation for services is on a time and materials basis. Direct labor rates range from $90/per hour to $140/per hour for a Program Controls Manager to $26.23/per hour to $36.72/per hour for an Administrative Assistant.[8] Optional annual rate adjustments will be based on CPI and require Airport approval. Field and home office overhead rates[9] are applied as a percentage markup on top of the direct labor rate for each staff member[10]. The contract also states that the prime contractor may include a maximum profit rate of 10 percent and a two percent fee/markup for first-tier subcontractor labor. The markup is to cover the additional costs and risks the prime contractor may incur when managing subcontractors.

The Airport is increasing the contract amount and extending the term to address the project support needed to complete the International Terminal Building Phase 2 project and align the six-month proposed extension with the anticipated project closeout date of December 31, 2026.

Local Business Enterprise Program

The Contract Monitoring Division established an 18 percent Local Business Enterprise (LBE) subcontracting requirement for the contract. AGS committed to an 18 percent LBE participation goal. As of August 2025, AGS reports an 18.5 percent LBE achievement. Exhibit 2 shows the LBE percentage and tasks committed to each subcontractor.

[8] The Airport states that the direct labor and overhead rates were established during the Airport's pre-award negotiation process with the vendor.

[9] According to the Airport, field and home office overhead rates are used to account for the indirect costs associated with supporting labor on a project. The field office overhead rate is applied to staff working onsite at the project location (SFO Airport), and the home office overhead rate is applied to staff working off-site, typically from the contractor's office.

[10] The field office overhead rate for AGS is 145 percent and for the subcontractors range from 54.39 percent for Construction Management West, Inc. to 145 percent for Chaves & Associates, InnoActive Group, MicroEstimating, RES Engineers, Ross & Baruzzini/CAGE, and Stok, LLC. The home office overhead rate for AGS is 160 percent. Subcontractors with a home office overhead rate range from 54.39 percent for Construction Management West, Inc. to 160 percent for Hill International, MicroEstimating, RES Engineers, and Stok, LLC. According to the contract, overhead rates must not exceed 145 percent for field offices and 160 percent for home offices

Exhibit 2: LBE Utilization To Date (August 2025)

Subcontractors	Tasks	LBE Commitment (%)	LBE Usage-to-Date (%)
InnoActive Group	Cost Controls & Support	5	4.9
MCK America, Inc.	Budget Management and Scheduling	5	3.2
MicroEstimating, Inc.	Cost Estimating	2	2.5
CM West, Inc.	Inspection	3	0.8
Chaves & Associates	Administrative Support	3	7.1
	Total	**18**	**18.5**

Source: Airport

Other Subcontractors

Exhibit 3 below shows the other non-LBE subcontractors and their tasks for the contract.

Exhibit 3: Subcontractors (non-LBE)

Subcontractors	Tasks
Abadjis Systems, Ltd. Dba ASLPM	Wayfinding Scope Project Management and Stakeholder Engagement
Hill International	Contract Administration and Project Management Support
RES Engineers, Inc.	Materials Testing and Inspection
Ross & Baruzzini/CAGE	Baggage Handling Systems
Stok, LLC	Stakeholder Engagement, Sustainability, Commissioning Support
WSP USA, Inc.	Mechanical, Electrical, and Plumbing and Special Systems Support

Source: Airport

Performance Monitoring

Airport staff monitors contractor performance through semi-annual evaluations. The most recent performance evaluation was completed in March 2025 for the period of September 2024 through February 2025. Airport staff found that AGS at least met or exceeded expectations in all areas reviewed except for communication, and the evaluation stated that the field team was working on improving communication between the field and the office. Other areas reviewed included project controls, data entry into the Unifier system, change order preparation, quality control, contract administration, teamwork, project cost and schedule management, safety and security, and project management support services team resources management. No corrective actions were identified.

FISCAL IMPACT

The proposed Modification No. 5 would increase the amount of the AGS contract by $2,850,000 for a total not to exceed $12.5 million. The estimated contract budget of $12.5 million is shown in Exhibit 4 below.

Exhibit 4: Estimated Contract Budget by Phase

Phase	Design/Programming (June 2020 – Feb 2024)	Construction (Nov 2020 – March 2026)	Closeout (March 2026 – Dec 2026)	Total
Construction Management	$174,736	$1,971,192	$261,996	$2,407,924
Project Controls	1,152,018	2,130,414	340,303	3,622,734
Design Management	1,113,378	1,282,635	127,193	2,523,205
Project Management	962,275	1,395,494	133,890	2,491,658
Cost Estimating Support	106,070	278,668	0	384,738
Special Systems[11]	0	112,894	0	112,894
Special Inspection[12]	37,426	161,400	0	198,826
Other Direct Costs[13]	7,600	522,917	7,431	537,948
Total Expenditures	**$3,553,503**	**$7,855,613**	**$870,812**	**$12,279,928**
Contingency (7%)				220,072
Not to Exceed Amount				**$12,500,000**

Source: Airport

According to Airport staff, the increased amount was determined by assessing forecasted staff support projections needed through the end of the project in December 2026. Airport staff states that $9,055,623 has been invoiced as of June 2025, and $3,224,305 is projected to be expended by the end of the proposed term (December 31, 2026) for a total of $12,279,928 to be expended of the $12.5 million not to exceed amount. An approximately seven percent contingency on top of the projected remaining spending of $3.2 million accounts for unforeseen costs. The proposed contract increase will fund a total of eight FTE during the construction phase (to March 2026) and 4.5 FTE during the closeout phase (from March to December 2026).

The contract is funded by Airport revenue bonds. According to the Airport, there are no impacts on operating costs as a result of the contract.

Contract Share of Project Budget

The proposed contract as a share of the total project budget is comparable to the share estimated in the 2019 RFP. However, the total project budget has doubled and the project management contract amount has increased by 87 percent relative to estimates in the RFP. According to the Airport, the drivers for the project's total budget increase from $147.6 million to $297.2 million are the following: (1) $36 million for the transfer of the scope of work from another International Terminal project from a terminated contract[14], (2) $92 million to accommodate updated

[11] According to the Airport, Special Systems includes overseeing project scope involving low-voltage systems, such as security, fire alarms, and communication networks.

[12] This includes detailed examinations of specific materials, installations, or procedures during a construction project to ensure they meet the approved plans, specifications, and relevant building codes.

[13] This includes costs incurred by AGS to support the project, such as office materials and equipment, partnering sessions between project teams and stakeholders, and other services.

[14] According to the January 19, 2021 Airport Commission memo, in October 2020, the Airport suspended construction on the International Terminal Building Phase 1 Project, and the Airport Commission subsequently

passenger processing needs of the Customs and Border Protection and higher costs as a result of the pandemic and relocation of a large volume of conduits and systems after the project restarted in 2023, and (3) $21.6 million from scope that was incorporated from other approved capital projects.[15] The Airport states that the vendor's role in cost containment of the project budget includes providing a controls manager, who is responsible for maintaining the project cost model and using their cost estimating resources[16] to validate the builder's cost model pricing. The proposed contract amount of $12.5 million is equal to 4.2 percent of the International Terminal Building Phase 2 Project budget ($297.2 million). The 2019 RFP estimated a contract amount of $6.7 million which was equal to 4.5 percent of the total project budget at that time ($147.6 million).

RECOMMENDATION

Approve the proposed resolution.

terminated for convenience the contract with Clark Construction Group - California LP. This project was consolidated under the International Terminal Building Phase 2 project.

[15] The added scope included a new Global Entry Office, shell space for two future concessions, relocation of CBP's Special Response Team, and wayfinding signage.

[16] The cost estimators also validate subcontractor procurement pricing and change orders.

Item 4 File 25-0680	Department: Office of Economic and Workforce Development (OEWD)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance amends the Planning Code to waive five development impact fees for projects located in the Market and Octavia Area Plan and Van Ness and Market Special Use District (SUD). The proposed ordinance also amends the Planning Code to sunset the Market and Octavia Community Advisory Committee six months after enactment.

Key Points

- The impact fees proposed for waivers include two fees in the Market and Octavia plan area and three additional fees for projects located in the SUD. At present, there are 26 projects representing 2,685 units in the Market and Octavia development pipeline that would be eligible for the fee waiver, including 674 affordable housing units.
- The Planning Department does not expect any of the projects to be built within the next three years due to market conditions. For this reason, no fee revenue from these projects is expected during that time.

Fiscal Impact

- The 26 pipeline projects are expected to generate $47,640,000 in Market Octavia/SUD fee revenue earmarked for community infrastructure and $33,390,628 in Market Octavia/SUD affordable housing fee revenue for a combined $81,030,628 over the next ten years, if the projects were built.
- The projects would still be subject to citywide development impact fees, which total $135,522,922 for the 26 pipeline projects.

Policy Consideration

- The proposed ordinance would improve the financial feasibility of development in the Market Octavia area but limit the City's funding sources for community infrastructure and affordable housing. The Board of Supervisors could consider retaining one or more of the subject fees, adding a sunset date for the proposed fee waivers, and/or establishing a goal of budgeting new tax revenue resulting from development in the area for community infrastructure and/or affordable housing.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

BACKGROUND

Market and Octavia Plan

The Market and Octavia Area Plan was enacted by the Board of Supervisors and the San Francisco Planning Commission in 2008 and is part of the City's General Plan. The plan outlines objectives and directives for increasing housing density, infrastructure, and overall improved livability within the plan area's boundaries. In alignment with the plan's policies, the Board of Supervisors has amended the Planning Code to establish impact fee schedules for development projects in the plan area which are imposed on top of citywide impact fees. These localized fees generate revenue for special funds that are earmarked for public improvements, affordable housing development, and other projects within the plan area.

The Board of Supervisors also passed legislation (File 07-1157) establishing the Market and Octavia Community Advisory Committee (CAC) under Section 341.5 of the Planning Code. Since the implementation of the Market and Octavia Area Plan, the CAC has acted as an advisory body to the Planning Director, the City's Interagency Plan Implementation Committee (IPIC), the Planning Commission, and the Board of Supervisors to prioritize community improvement projects and plan expenditures in line with the Area Plan's initiatives. The CAC is made up of nine appointed members who live and work within (or within 1,250 feet of) the plan area. Members serve two-year terms.

OEWD reports that the Market and Octavia Area Plan and Van Ness and Market SUD fees have generated $53,333,488 in revenue for public infrastructure projects and community programming since 2008. Over the same time period, $40,339,400 in affordable housing fees localized to the Area Plan and SUD were collected and transferred to the Mayor's Office of Housing and Community Development (MOHCD). Finally, the 2007 Environmental Impact Report (EIR) for the Market and Octavia Area Plan projected 4,440 net additional units within the plan area by 2025. As of 2024, 4,758 units have been constructed within the plan's boundaries and 1,652 or 35 percent of these units were dedicated for affordable housing.

Citywide Impact Fees

In September 2023, the Board of Supervisors passed an ordinance (File 23-0764) to reduce the amount of citywide development impact fees for public improvement projects by 33 percent through December 2026.[1] These fees include the childcare fee, the school impact fee, and the

[1] Funds for these programs are collected, assessed, and dispersed by various Departments and are authorized by the Planning Code.

transit impact development fee, and the transportation sustainability fee, among others (not including the inclusionary housing fees). Furthermore, the legislation delayed the timing at which these fees are collected by the City. Development impact fees had historically been imposed between the Planning Department approval of a project and the construction phase of development. As of 2023, however, development impact fees for citywide and area-specific projects are due when a certificate of occupancy is issued, and this issuance timing is now mandated by State law as of January 2025.[2] Finally, in October 2023, the Board of Supervisors also reduced the City's requirements for the inclusionary affordable housing program by approximately 54 percent through May 1, 2029 for pipeline projects and by 32 percent through November 2026 for new projects (File 23-0855).

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would amend the Planning Code to waive five development impact fees in the Market and Octavia Area Plan Area. Applicable citywide impact fees would not be changed. The proposed fee waivers, as outlined in Exhibit 1 below, include up to two fees for developments in the plan area and three additional fees for projects located in the Van Ness and Market Special Use District (SUD). Each fee is imposed on a fixed fee per square foot or gross square foot basis for applicable developments. If approved, the ordinance would waive impact fees for all approved projects in the plan area's pipeline as well as all projects approved by the Planning Department on or after January 2026. In summary, the proposed ordinance would effectively eliminate the following impact fees indefinitely at the time of enactment.

- Market and Octavia Area Plan and Upper Market NCT Affordable Housing Fee (Planning Code Section 416)
- Market and Octavia Community Improvements Fund (Planning Code Section 421)
- Van Ness & Market Affordable Housing Fee (Planning Code Section 424)
- Van Ness & Market Neighborhood Infrastructure Fee (Planning Code Section 424)
- Van Ness & Market Community Facilities Fee (Planning Code Section 425)

The proposed ordinance would also delete Section 341.5 of the Planning Code six months from the effective date. This action would sunset the Market and Octavia CAC.

Finally, the proposed ordinance relaxes land use controls within the Van Ness & Market Special Use District. In particular:

- Deleting the 3:1 residential to non-residential use requirement for newly constructed buildings that exceed 20 percent or more of an existing structure's gross floor area
- Deleting the floor to area limit for residential uses
- Deleting a requirement for Conditional Use authorization for retail projects greater than 6,000 square feet

[2] Enacted by California Senate Bill 937.

Exhibit 1: Market and Octavia and SUD Impact Fees Proposed for Elimination

Planning Code	Fee	Applicable Basis	Restricted Revenue Uses
416	Market & Octavia Area Plan and Upper Market Neighborhood Commercial District Affordable Housing Fee	Market rate residential square footage in the Upper Market Neighborhood Commercial Transit District	Paid into the Citywide Affordable Housing Fund and expended by MOHCD: 1. To support affordable housing in the plan area. 2. To support affordable housing within one mile of the plan area. 3. To support affordable housing citywide.
421	Market & Octavia Community Improvements Fund	Non-residential or residential square footage for units above 120% AMI	Dollars received from residential and non-residential developments must each be proportionally expended on streetscape improvements, transit, recreation and open space, childcare, and program administration.
424	Van Ness & Market Affordable Housing Fee	Any development square footage with a Floor Area Ratio (FAR) between 6:1 and 9:1	Paid into the Citywide Affordable Housing Fund and expended by MOHCD: 1. To support affordable housing in the plan area. 2. To support affordable housing within one mile of the plan area. 3. To support affordable housing citywide.
424	Van Ness & Market Neighborhood Infrastructure Fee	Any development square footage with a Floor Area Ratio (FAR) over 9:1	Dollars received from residential and non-residential developments must each be proportionally expended on streetscape improvements, transit, recreation and open space, childcare, and program administration.
425	Van Ness & Market Community Facilities Fee	Non-residential or residential square footage for units above 120% AMI	Fund cultural and arts facilities, social welfare facilities, and community health facilities in (or within 1,250 feet of) the Market and Octavia Plan Area.

Source: San Francisco Planning Code

Notes: Infrastructure impact fees may be waived or reduced by in-kind contributions. Van Ness & Market fees only apply within the Van Ness and Market Special Use District.

We have requested the amount of revenue projected for each fee. The Planning Department states it will provide that information prior to the September 10, 2025, Budget & Finance meeting.

According to discussions and correspondence with OEWD and Planning, the elimination of the five area-specific fees is intended to remove barriers for development within the Market and

Octavia Area Plan. The Planning Department reports that none of the projects in the pipeline are projected to complete construction in the next three years and therefore no revenue is projected from any of the five impact fees proposed for deletion. OEWD reported that it is not anticipating similar reductions to area-specific impact fees in other parts of the City. According to OEWD, the Market and Octavia planning area have a density of unfinished projects, the area is also centrally located among key transit corridors, and has high-density zoning. The City is therefore targeting fee relief in this area to increase the financial feasibility of the projects and create a ripple effect on investment.

Current Market & Octavia Pipeline Projects

According to correspondence from OEWD and Planning, there are 26 projects in the development pipeline that are eligible for the waived fees under the proposed ordinance. These developments, which have already been approved by the Planning Department but have not yet entered construction, represent a total of 2,685 units in the Market and Octavia plan area. Included in this pipeline estimate are 1,853 units within the Van Ness and Market SUD and one development with 24 units located in the Market and Octavia Upper Market NCT. 674 of these units are affordable housing, and four of the 26 developments are 100 percent affordable projects.[3] Exhibit 2 below lists each of the pipeline developments alongside their approved unit count, applicable fee area(s), and status within Planning's development pipeline.

According to OEWD, impact fees comprise a larger share of development costs for smaller projects. As a result, smaller projects are more likely to achieve financial feasibility with the proposed fee reductions. Larger projects in the pipeline, such as those within the Van Ness and Market SUD, have higher development costs and are likely to remain financially infeasible even with the proposed waivers, although the waivers may increase the likelihood of earlier development.

[3] OEWD Project Manager Jacob Bintliff reports that there are discrepancies with MOHCD in terms of project status tracking. MOHCD's pipeline currently reports that there are up to 784 affordable units that have been approved by Planning but have not yet reached construction.

Exhibit 2: Market and Octavia Residential Developments as of May 2025

Project Location	Total Units	On Site BMR Units	Area(s)	Approved by Planning	Pipeline Status
10 South Van Ness Ave	966	0	MO, SUD	6/11/2020	Building Permit Filed
115 Haight St	1	0	MO	11/9/2021	Planning Approved
1338-1342 Stevenson St	2	0	MO, SUD	3/19/2021	Building Permit Approved
159 Fell St	24	0	MO, SUD	7/29/2021	Building Permit Issued
16 Laguna Street	4	0	MO	8/22/2023	Building Permit Filed
1687 Market St*	101	101	MO	3/17/2025	Building Permit Filed
1939 Market St*	187	185	MO	9/20/2023	Building Permit Issued
194 Guerrero St	2	0	MO	4/26/2024	Building Permit Filed
2051 Market St	29	3	MO	6/27/2024	Building Permit Issued
2164-2166 15Th St (ADU)	1	0	MO	1/18/2024	Building Permit Issued
237 Sanchez St	5	0	MO	3/6/2025	Building Permit Filed
240-250 Church St	24	3	MO	12/2/2021	Building Permit Approved
300 Buchanan St	9	0	MO	8/10/2023	Building Permit Approved
301 Grove St	9	0	MO	5/7/2019	Building Permit Approved
36-38 Gough St	8	0	MO	9/30/2021	Building Permit Approved
380 Ivy St/534 Octavia St	3	0	MO	9/25/2023	Building Permit Issued
55 Belcher St	25	5	MO	11/25/2019	Building Permit Issued
600 Mcallister	196	29	MO	2/10/2022	Planning Approved
618-630 Octavia St	40	8	MO	4/28/2022	Building Permit Filed
652 Hayes St	1	0	MO	11/21/2023	Building Permit Issued
67 Belcher St	31	5	MO	3/23/2023	Building Permit Filed
78 Haight St^*	64	64	MO	4/9/2025	Planning Approved
83 Noe Street	1	0	MO	3/7/2024	Building Permit Approved
880 Mcallister St*	91	91	MO	4/22/2025	Planning Approved
98 Franklin St	345	69	MO, SUD	5/28/2020	Building Permit Filed
1500-1540 Market St^	516	111	MO, SUD	6/15/2017	Planning Approved
Total	**2,685**	**674**			

Source: Office of Economic and Workforce Development, Data SF

(*) Development is a 100 percent affordable project.

(^) Development is a modified project from its original approved specifications.

SUD refers to the Van Ness and Market Special Use District.

Building Permit Approved refers to a building permit application that has been approved by the Department of Building Inspection. This must occur before a building permit is issued.

Planned Area Plan Programming

Through their routine capital planning process,[4] IPIC and the Market and Octavia CAC have recommended funding to City Departments or programmed the unrealized revenue from the 26 projects in the area plan pipeline through Fiscal Year 2034-35. The proposed ordinance would eliminate Market Octavia and Van Ness and Market SUD fee revenue for these projects, which are listed in Exhibit 3 below. Appendix B to this report includes excerpts from the January 2025 IPIC report that show summaries of projects funded by the subject fees.

[4] Expenditures from development impact fee revenues for the three infrastructure fees are planned by IPIC and the Market and Octavia CAC on a five-year schedule and adjusted annually when such funds are appropriated for City Departments.

Exhibit 3: Market and Octavia Area Plan Projects Expecting Fee Revenue Through FY 2035

Category	Department	Project	Total Fee Revenue Allocated
Transit	SFMTA	Hub Transportation Improvements Fund	9,395,228
	SFMTA	Valencia Protected Bike Lanes	3,650,000
Streets	In-Kind	Oak Plaza IKA	2,180,893
	DPW	Living Alleys Community Challenges Grants	1,000,000
	DPW	Better Market Street	500,000
	ART	Patricia Green's Rotating Art Project	300,000
	DPW	Sidewalk Greening Program	600,000
	DPW	Re-Establish Octavia Blvd ROW with Hayward Park	150,000
	DPW	Streetscape Enhancement Fund	2,000,000
	DPW	HUB Public Realm Improvements Plan	7,707,678
	SFMTA	13th Street	1,604,231
Recreation and Open Space	REC	Buchanan Street Mall	505,250
	REC	HUB Open Spaces Improvement Fund	498,810
	REC	Rachele Sullivan Park	2,605,250
	REC	Civic Center	2,524,345
	REC	Koshland Park	2,000,000
Childcare	DCYF	OECE Childcare Facilities Program	4,808,000
Administration		Administration fees	3,106,150
Total			**45,135,835**

Source: IPIC Annual Report 2025

This table does not include $33,390,628 in affordable housing fees nor the Van Ness & Market Community Facilities Fee for art/cultural projects associated with pending development projects in the Market-Octavia area plan area, neither of which are subject to the IPIC planning process.

OEWD and Planning posit that there will be minimal impact to programming if the Board of Supervisors approves the proposed ordinance. The combined effect of cooling development and the recent legislation to delay impact fee collection has reduced collected fee revenues. With no projects expected to finish construction in the next three years, IPIC does not expect to collect any revenue until at least that time. IPIC will not be recommending new appropriations of fee revenue to City agencies until conditions change. At present and because of the fee collection

drag, the Market and Octavia improvement projects with appropriated but unrealized impact fee funding must find alternative funding sources to complete construction on schedule.

Affordable Housing

The affordable housing fees are deposited into the Citywide Affordable Housing Fund upon collection. The fund, authorized under Section 10.100-49 of the San Francisco Administrative Code, is administered by MOHCD to provide loan financing for affordable housing developments across the City. It receives revenues from multiple impact fees, some applied citywide and others tied to specific neighborhoods. According to MOHCD's annual progress reports, the Department incorporates already-assessed funds into its five-year expenditure cycle. Within the Citywide Affordable Housing Fund, Market and Octavia and Van Ness and Market SUD fees are earmarked to be allocated first to developments within the respective area plans and then, if available, to projects citywide. The proposed ordinance would therefore limit the resources specifically allocated to affordable housing development within the Market and Octavia plan area.

FISCAL IMPACT

The proposed ordinance would eliminate the fee revenue collected from current and future approved development within the Market and Octavia plan area. Estimates provided from Planning and OEWD show that the 26 Market and Octavia pipeline projects represent a total of $47,640,000 in fee revenue earmarked for community infrastructure development and $33,390,628 in affordable housing fee revenue for a combined $81,030,628 in fee revenue waived through FY 2034-35. These estimates assume that all 26 developments are constructed as approved. They do not include fee revenue loss from the Van Ness & Market Community Facilities Fee (Planning Code Section 425), for which the Planning Department and OEWD were unable to provide an estimate.

Exhibit 4 below summarizes the $81,030,628 Market-Octavia fee revenue that would be waived, by fee, as well as the citywide impact fees that would remain on the projects currently in the pipeline, which total $135,522,922.

Exhibit 4: Proposed Impact Fee Waivers & Retained Citywide Impact Fees in the Market-Octavia Area

Proposed Fee Waivers	Amount
Market and Octavia Affordable Housing Fee	$21,104,197
Market and Octavia Community Improvements Fee	$35,013,000
Van Ness & Market Affordable Housing Fee	$12,286,431
Van Ness & Market Neighborhood Infrastructure Fee	$12,627,000
Van Ness & Market Community Facilities Fee	Unknown
Total Proposed Fee Waivers	**$81,030,628**
Citywide Fees within Market-Octavia Area Retained	
Transportation Sustainability Fee	$28,282,006
Child Care Fee	$5,612,272
Affordable Housing Fee (In Lieu)	$66,461,572
Affordable Housing	$35,167,072
Total Citywide Fees within Market-Octavia Area Retained	**$135,522,922**

Source: OEWD and Planning

Note: Data is based on the 26 Market-Octavia pipeline projects detailed in Exhibit 2 above. The in-lieu affordable housing amounts are based on land dedications from the 10 South Van Ness and 98 Franklin projects.

The proposed fee waivers total $40,294 per market rate unit within the plan area. Remaining citywide fees total $67,391 per market rate unit.

Citywide Impact

The proposed ordinance may have additional fiscal implications if the waiver of Market and Octavia fees affects the timing or completion of developments within the area plan. Each new housing unit is estimated to generate approximately $6,700 annually in property tax revenue,[5] while other citywide impact fees would still apply. If all 2,011 market rate units in the Market-Octavia pipeline are built, we estimate this would generate $13.5 million in annual property tax revenues for the City (in 2025 dollars). This would offset the proposed $80 million in fee revenue loss in approximately six years.

These revenue sources, however, would only produce a net fiscal impact relative to the status quo if the ordinance accelerates the delivery of projects or enables the completion of developments that otherwise would not have proceeded due to the existing fee requirements.

[5] The BLA generated this estimate from recorded property tax assessments from new developments in 2023 as reported by Data SF. The $6,700 in property tax revenue per unit assumes 55.6% of property tax revenues go to the City, including the General Fund and does not include the Library Preservation, Children's Funds, and Open Space set-asides.

POLICY CONSIDERATION

Shifting Revenue Obligations

Waiving the Market and Octavia–specific impact fees would shift the cost burden for certain public infrastructure projects from developers to the City. This would make those developments more financially feasible and more likely to be built. This is consistent with the City's housing goals. In addition, by making developments more financially feasible, the City is more likely to obtain higher property taxes and other tax revenues resulting from more residents.

While the City would continue to collect property taxes and citywide impact fees, the elimination of these earmarked local fees would remove a dedicated source of funding for improvements within the Market and Octavia area. As a result, projects in this neighborhood would need to compete with other citywide priorities for financing, potentially delaying or scaling back local improvements. Furthermore, resources that would have otherwise supported other developments or infrastructure projects across the City may be redirected to fill funding gaps in the Market and Octavia district. This reallocation could limit the City's flexibility to advance projects in other neighborhoods or fund additional citywide initiatives.

OEWD reports that Market and Octavia impact fee funds are typically a small portion of a project's total financing stack. However, some projects—particularly recreation and open space projects—rely on impact fee funds for 25 percent or more of total financing. In these cases, any reduction to planned funding can result in delays for projects in progress or prohibit planned projects from starting at all. Recreation and Parks finance staff reported that delays in obtaining impact fee revenues have already caused delays for several Market and Octavia improvement projects due to an inability to secure alternative funding sources. Similarly, affordable housing in San Francisco is increasingly expensive and relies heavily on local funding for gap financing. According to a report published by MOHCD in July 2025, affordable housing units rely on City-provided funds (including fees) for 32% of development costs. Given the recent decreases to the citywide inclusionary housing fee, the City will further reduce its ability to finance affordable housing development and slow the addition of new affordable units to the City's housing stock.

The Board of Supervisors could amend the proposed ordinance to establish a goal of using incremental increases in property taxes generated by development in the Market Octavia plan for affordable housing and/or public infrastructure. Such a goal would be non-binding but could guide future budget decisions.

The Board of Supervisors could also consider amending the proposed legislation to retain one or more of the Market and Octavia and Van Ness and Market SUD affordable housing impact fees. This option would still provide fee relief for developers but preserve some revenue for the City. However, retaining these fees may render the pending development projects infeasible in the short term.

Sunset

The Board of Supervisors could consider amending the proposed ordinance to sunset the Market Octavia developmental impact fee waivers for a period of three to five years. A time-limited

waiver could more effectively incentivize developers to move projects to completion quickly. Other recent impact fee reductions, such as those enacted in 2023, also included sunset provisions. A sunset provision would allow the City to assess the impact of the proposed fee waivers on housing development.

RECOMMENDATION

The proposed ordinance is a policy matter for the Board of Supervisors.

Appendix A: Market-Octavia Plan Area and Van Ness & Market Special Use District

Source: Planning Department

MARKET AND OCTAVIA

Background and Highlights

The Market and Octavia Area Plan has been in effect since May 2007. The Plan envisions a neighborhood that functions holistically as a truly urban place by providing mixed-use infill development and affordable housing, buildings and open spaces that foster a unique sense of place, a neighborhood with balanced transportation options, and a street and public realm experience that is inviting to people walking, biking and socializing The Plan included new heights and zoning to encourage the development of mixed-use infill projects.

In 2015, the Planning Department began a community planning process to update a portion of the Market and Octavia Plan historically called the Hub, and previously known in the Plan as "SOMA-West." Following the community planning process, in 2020, the Board of Supervisors adopted amendments to the Market and Octavia Area Plan, planning code, and new heights for three projects at the Van Ness and Market intersection. For more information, visit https://sfplanning.org/ market-street-hub-project

Since 2008, 4,758 units have been constructed in the Plan area. In addition, approximately 2,851 units are in the Planning Department's development pipeline and have not yet started construction as of the end of 2024.

In support of this growth and the Plan Area vision, the Plan also included a list of programmatic and discrete community improvements (Market and Octavia Plan, Community Improvements Appendix C), the majority of which have been completed or are underway. These improvements have been funded with impact fees from development in the plan area as well as other funding sources.

More information, visit the Plan Area website: http:// sf-planning.org/ market-octavia-area-plan

COMMUNITY BENEFITS FUNDING

Projects in the Plan Area are subject to the Market and Octavia Area Plan and Upper Market NCT Affordable Housing Fee and the Market and Octavia Community Infrastructure Fee. Revenue from the infrastructure fee must be allocated to projects within and adjacent to the Plan Area for transportation, complete streets, recreation and open space, childcare, and program administration in the proportion set out in the Planning Code.

Projects in the Van Ness and Market Special Use District (SUD) may be subject to three additional impact fees: affordable housing, infrastructure and community facilities. The City expects to collect $48 million over the next ten years from these three fees. Funds collected from the SUD infrastructure fee are required to be allocated to the same funding categories as the Market and Octavia infrastructure fee, but revenue must be prioritized for community improvement projects located within and adjacent to the SUD. $54 million has been collected to date from the Market and Octavia infrastructure fee and the SUD infrastructure fee (including the value of in-kind projects). With regards to affordable housing fees, the City expects to collect $34 million from the SUD Affordable Housing fee and the Market and Octavia Affordable Housing Fee.

In addition to impact fee revenue, other funding sources have been identified for Plan Area improvements, including revenues from the sale of the Central Freeway parcels. Parcel sales to date have yielded a total of $56,162,107. Most of these revenues have been spent on a series of community amenities adjacent to the Central Freeway, including the West SoMa skate park and dog run and maintaining a state of good repair for Van Ness Avenue. There may be additional revenue upon any future sale of remaining parcels. The funds from these sales have not yet been programmed but must be dedicated to transportation and streetscape improvements in the Market and Octavia area.

In the next five years (FY26 through FY30), the City expects to collect about $20.8 million in impact fees, with the combination of actuals and projections through FY30 projected to be $74 million which is less than last year's due to the recent adoption of fee reduction and deferral legislation.

Ongoing Planning

THE MARKET AND OCTAVIA COMMUNITY ADVISORY COMMITTEE

The Market and Octavia Community Advisory Committee (MO CAC) is a representative body that provides advice to the City regarding implementation of the Market and Octavia Area Plan and the Plan's community improvements. The Market Octavia CAC aims to have a varied composition of renters, owners, small business advocates, and members of other neighborhood groups. The Market and Octavia CAC is composed of nine members of the public, appointed by the Board of Supervisors or the Mayor. The CAC currently has no open seats. The Market Octavia IPIC Expenditure Plan was presented to the CAC at their June, September, and December meetings. While members were generally supportive of the expenditure plan, they did not take an official vote due to lack of quorum at their December meeting.

Project Descriptions

WESTERN ADDITION CBTP IMPLEMENTATION (MAP / EXPENDITURE LINE ITEM NO. 9

Implement medium-term project efforts identified in the Western Addition Community Based Transportation Plan. This includes traffic-calming, pedestrian safety corridor treatments, pedestrian countdown signals, and accessible pedestrian signals on Golden Gate Avenue, Fulton Street, Turk Street and Laguna Street and pedestrian rapid flashing beacons at mid-block crossings on the former Octavia Street ROW corridor.

For more see the Western Addition CBTP recommendations at Western Addition Community Based Transportation Plan Implementation | SFMTA

Project Origin:

Western Addition Community Based Transportation Plan (SFMTA CIP)

Project Status and Delivery:

The Western Addition Traffic Signal Upgrades Phase 1 project is under construction and expected to be completed in early 2025.

The Western Addition Traffic Signal Upgrades Phase 2 project is under design and expected to start construction in early 2026.

Total Costs:

$3,711,000

IPIC Funds:

$725,000 total (transferred)

HUB TRANSPORATION IMPROVEMENTS FUND (MAP / EXPENDITURE PLAN LINE ITEM NO. 10

To fund projects consistent with the Hub Public Realm Plan and SFMTA Capital Improvements Plan to ensure that transit and transportation services are enhanced to support significant growth in the Hub area over the next several years, including Local Muni Bus Transit Signal Priority devices that will improve transit reliability.

Projects will be scoped by SFMTA on a rolling basis, with input from the MO CAC, and are anticipated to include substantial enhancements to the Van Ness Muni Station and circulation improvements in the Hub area to reduce traffic, bicycle, and pedestrian conflicts in the area. Some of this fund will be used to purchase and deploy Transit Signal Priority (TSP) devices and communications equipment in the Hub area in FY20.

Project Origin:

Hub Public Realm Plan

Project Status and Delivery:

Ongoing

Total Costs:

TBD

MO Impact Fee Funds:

- $9,699,000 total
- $304,000 transferred
- $3,911,000 appropriated not transferred
- $5,483,000 programmed FY26 through FY30

LOCAL MUNI BUS TRANSIT SIGNAL PRIORITY (MAP / EXPENDITURE PLAN LINE ITEM NO. 10.1

To purchase and deploy Transit Signal Priority (TSP) devices and communications equipment for intersections on the Local Muni Bus TSP network and to replace aging traffic signal controllers and cabinets within and servicing the plan area. This project will improve travel time and service reliability for Muni riders.

Project Origin:

SFMTA

Project Status and Delivery:

Project is on-going with intersections in the Market-Octavia area scheduled for TSP implementation. Project is continuing implementation along the 14 Mission and 22 Fillmore lines serving the plan area.

Total Costs:

$38,700,000

MO Impact Fee Funds:

$196,000

Funding Status:

Project seeking additional funds

13TH STREET BIKE IMPROVEMENTS (MAP / EXPENDITURE PLAN LINE ITEM NO. 39.2)

This project will create protected bikeways on 13th Street from Folsom Street to Valencia Street, following the recommendations of the Hub Public Realm Plan. The project will provide an important bike connection from Valencia Street to the existing protected bike lanes on 13th St, substantial signal modifications, and key pedestrian safety elements. This project does not include long-term elements of the Hub Public Realm Plan design, including sidewalk widening, re-paving, lighting, and green infrastructure.

Project Origin:

Hub Public Realm Plan

Project Status and Delivery:

Design in 2020; Construction is planned to commence in early 2025

Total Costs:

$9,388,000

MO Impact Fee Funds:

$175,000

LIVING ALLEYS (MAP / EXPENDITURE PLAN LINE ITEM NO. 24)

Living Alleys are an ongoing effort led by Public Works to engage residents in re-imagining the area's extensive network of alleys as an alternative transportation network and opportunity for community-scale places for public life. This program may utilize impact fee revenue through Public Works to design, build, and maintain living alleys.

Project Origin:

Market and Octavia Area Plan

Project Status and Delivery:

Design underway for the Ivy Street blocks between Laguna and Octavia. Project is anticipated to start construction Winter 2025.

Total Costs:

$4,500,000 over 10 years

MO Impact Fee Funds:

- $4,500,000 total
- $3,500,000 transferred
- $500,000 appropriated not transferred
- $500,000 programmed through FY 35

SIDEWALK GREENING PROGRAM (MAP / EXPENDITURE PLAN LINE ITEM NO. 33)

The Sidewalk Greening Program (formerly the Street Tree Planting Program) is an initiative to facilitate new community-maintained street trees and sidewalk gardens throughout the Plan Area.

Utilizing a portion of these funds, Public Works will partner with non-profit organizations and interested community members to implement tree planting and sidewalk landscaping installation. Additional tree planting and establishment activities will be performed by Public Works Urban Forestry (BUF) staff or through a City-managed contractor.

Project Origin:

Market and Octavia Area Plan

Project Status and Delivery:

Ongoing

Total Costs:

$1,300,000 through FY28

MO Impact Fee Funds:

- $1,300,000 total
- $ 700,000 transferred
- $600,000 programmed through FY35

OCTAVIA BOULEVARD IRRIGATION SYSTEM (MAP / EXPENDITURE PLAN LINE ITEM NO. 38)

Project Description:

Install a new sub-surface drip irrigation system, building off of the existing water pipes and backflow preventers, to replace the existing deficient pop-up overspray system in the side medians of Octavia Boulevard. The new irrigation system will service the street trees and landscaping in the side medians of Octavia Boulevard, which was the central infrastructure enhancement of the Market and Octavia Plan, while reducing water loss and maintenance obligation for the system.

Project Origin:

Market and Octavia CAC

Project Status and Delivery:

Ongoing

Total Costs:

$100,000

MO Impact Fee Funds:

$100,000

THE HUB PUBLIC REALM IMPROVEMENT PLAN (MAP / EXPENDITURE PLAN LINE ITEM 39)

Project Description:

This line item has been created to capture all potential projects that are delineated in the HUB Public Realm Plan which includes streetscape and transportation enhancements on the following street segments:

- Valencia Street: Market St. to 15th St.
- 11th Street: Market St. to Bryant St.
- 13th Street: Valencia St. to Folsom St.
- South Van Ness Avenue: Mission St. to 13th St.
- Otis St: Duboce Ave. to South Van Ness Ave.
- Mission / South Van Ness Intersection
- Oak Street: Market St. to Franklin St.
- 12th St. Market St. to Mission St.

Work has begun on 11th Street, which is an important street for transit and bicycles connecting SoMa to Market Street. Currently, the street has three lanes of traffic, including a center turn lane; bicycle lanes; and curb-side parking lanes. Planning efforts are underway to repurpose the roadway to create a parking protected bicycle lane in both directions, with shortened crosswalks and transit boarding islands, for a safer street for people taking transit and riding bikes. Additional improvements may include curb ramp improvements, bulb-outs, landscaping, traffic signals, street lighting, site furnishing and other streetscape elements.

Project Status and Delivery:

The Public Works Project team has started coordination efforts with MTA to confirm conceptual plans

Total Costs:

[to be provided from implementation plan]

MO Impact Fee Funds:

- $6,000,000 Transferred
- $5,468,000 Appropriated not transferred
- $2,262,437 programmed through FY35

BUCHANAN STREET MALL – FULTON TO GROVE (MAP / EXPENDITURE PLAN LINE ITEM NO. 47

Buchanan Street Mall is comprised of five consecutive blocks of green space, asphalt paths, and underperforming playgrounds from Eddy Street to Grove Street. Developed through a robust community process, the renovation project is intended to reinvigorate a long-underfunded community by creating a place that serves as a primary gathering place for the neighborhood. Core design elements on all five blocks will include new pedestrian lighting, new planting areas, pathways and seating areas, the memory walk, and stormwater retention features. New children's play areas (CPAs) will be constructed on the two northernmost blocks; communal gardens on the two southernmost blocks and Turk-Golden Gate; and microenterprise kiosks that support park activation and local entrepreneurship will be installed on the three central blocks. Other program highlights include a new lawn, stage, picnic and BBQ areas, a multiuse sports court, and full basketball court.

Project Origin:

Market and Octavia CAC

Project Status and Delivery:

The Buchanan Vision Plan was completed early 2017 and the conceptual design for all five blocks was approved by the Recreation and Park Commission in April 2020. Adequate funding has now been secured to renovate all 5 blocks under one singular construction project. Funding has been secured from Let'sPlaySF!, 2020 Health & Recovery Bond, SFPUC Joint Capital Infrastructure Project, IPIC funds, General Funds, CA State budget allocation and State grants (Prop 68 and ORLP).

The project is currently out to bid with construction expected to begin early 2025.

IPIC Funds:

$34.5 million

IPIC Funds:

- $3.6 million transferred
- $0.5 million appropriated not yet transferred

CIVIC CENTER / IMPROVED CIVIC CENTER PUBLIC SPACES (MAP/EXPENDITURE PLAN LINE ITEM NO. 48.5)

In 2019, the Planning Department in collaboration with RPD and other involved agencies, developed the City's Civic Center Public Realm Plan (PRP) with the neighboring community. In alignment with the goals and priorities of the PRP, RPD delivered improvements at UN Plaza to activate the space and drive positive activation. The Plan is currently under environmental review by the Planning Department and calls for modernization at Civic Center, UN Plaza and Fulton St that connects the two.

Project Origin:

Civic Center Public Realm Plan

IPIC Funds:

$2.5 million through FY35

RACHELE SULLIVAN PARK (MAP / EXPENDITURE PLAN LINE ITEM NO. 48.25)

See 11TH STREET PARK in the Eastern Neighborhoods Project Descriptions section.

KOSHLAND PARK (MAP / EXPENDITURE PLAN LINE ITEM NO. 48.75)

This line item was created to set aside funds for open space improvements at Koshland Park

Project Origin:

Market and Octavia Area Plan

Project Status and Delivery:

TBD

Total Costs:

TBD

IPIC Funds:

$2 million through FY35

CHILD CARE (EXPENDITURE PLAN ITEM NO. 59)

A portion of Market and Octavia impact fee funds are dedicated to supporting the provision of new or expanded licensed child care facilities within the plan area. These funds are administered by the Department of Early Childhood (DEC), which was previously appropriated $1,273,000 in FY16 to solicited applications for new or expanded facilities. These funds supported the construction of a new child care center at 49 South Van Ness, which opened in January 2024.

Project Status and Delivery:

This line item was kept flexible to enable further scoping and prioritization with the community.

Total Costs:

$3.2M

IPIC Funds:

$1.5M