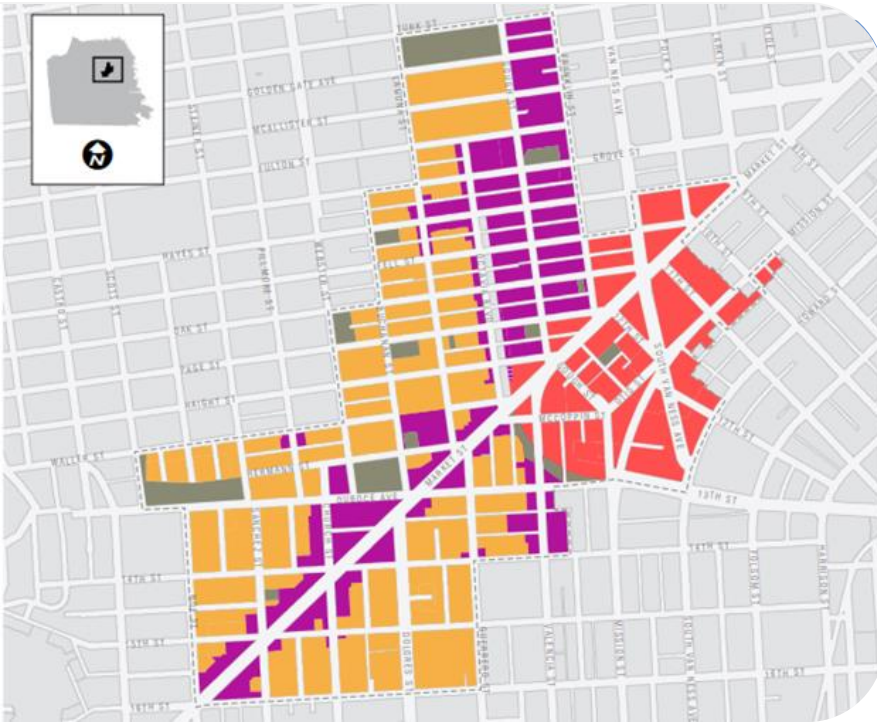


Market & Octavia Fees Reform

Background

- **Market & Octavia Plan adopted in 2007** to upzone for a mixed-use transit-oriented neighborhood following the removal of the Central Freeway; created **two impact fees** for affordable housing and community infrastructure
- The plan also created the **Van Ness & Market SUD** high-density development area where **three additional impact fees** for affordable housing, infrastructure, and community facilities apply
- Since 2008, nearly **4,800 new housing units** have been built, including nearly **1,700 affordable units (35%)**
- To date, area impact fees provided **\$53M for community infrastructure** projects in the area, and **most planned projects are complete**



Market & Octavia Fees Reform

Current Status

- Since 2020, **only two market-rate residential projects in the Market & Octavia plan area have broken ground** and been completed, totaling 37 units
- Currently, 26 pipeline projects with nearly **2,700 units are approved but have not broken ground** or completed
- Impact fee revenue has also stalled, with almost no revenue since 2020 and **no revenue projected in the next three years**
- The **area plan impact fees are a major cost to projects**, accounting for 33% to 50% of projects' total impact fees, or between **\$20,000 to \$60,000 in additional cost per unit**



Market & Octavia Fees Reform

Proposal

- **Board File 250680** introduced by Mayor Lurie and Supervisors Dorsey and Mahmood
- **Sunset all 5 area plan fees** for pipeline and future projects; **Sunset the Market & Octavia Community Advisory Committee (CAC)**
- **Retain all citywide impact fees** (inclusionary housing, transportation, childcare, arts) and **generate significant property tax revenue** for the City's Capital Plan and General Fund
- **Continue to deliver community improvements and affordable housing** through the Capital Planning process using other available sources

