



## Memorandum

**DATE:** July 8, 2024  
**TO:** Chair Mandelman  
**FROM:** Joe Castiglione - Deputy Director for Technology, Data, and Analysis,  
**SUBJECT:** Proposed Board of Supervisors Resolution Updating the Area Designated as an Infill Opportunity Zone in the City and County of San Francisco

### SUMMARY

State congestion management law requires Congestion Management Agencies (CMAs) to establish Level of Service (LOS) (private vehicle delay) standards for a designated countywide network of roadways. However, pursuant to State Senate Bill 1636 passed in 2002, local jurisdictions may designate Infill Opportunity Zones (IOZs). Within an IOZ, roadway segments and intersections are exempt from LOS deficiency planning requirements, and local jurisdictions may utilize alternate methods to measure and mitigate roadway congestion.

In 2009, the Board of Supervisors designated San Francisco's first IOZ to better reflect San Francisco's Transit First land use and transportation policies. Around the same time, San Francisco also adopted the city's first Priority Development Areas (PDAs). In 2013, State Senate Bill 743 revised the definition of IOZs. In January 2020, the Board of Supervisors expanded San Francisco's Priority Development Areas pursuant to the Metropolitan Transportation Commission's (MTC's) regional growth framework and grant programs set forth in Plan Bay Area 2040 (2017). The Board of Supervisors' adoption of the Housing Element in 2023 and the Transportation Authority's approvals of the San Francisco Transportation Plan (December 2022) further advanced planning for San Francisco's PDAs and IOZ.

The proposed IOZ update would update the geographical extent of San Francisco's IOZ to be consistent with city policy and state law, and exempt roadway segments and intersections within the updated IOZ from the use of LOS measures and deficiency planning, thus allowing the Transportation Authority, as CMA, to focus on alternative measures of system performance strategies, contained in the countywide long-range San Francisco Transportation Plan and Congestion Management Program, that emphasize the movement of people and goods, not just private vehicles.

### BACKGROUND

In 2002 the state legislature passed State Senate Bill 1636 (Figueroa) (SB 1636), which is intended to "remove regulatory barriers around the development of infill



housing, transit-oriented development, and mixed use commercial development” (California Government Code 65088(g)) by enabling local jurisdictions to designate “infill opportunity zones” (IOZs). As further explained below, these zones are currently defined as areas within one-half mile of a major transit stop in the San Francisco Bay Area.

State congestion management law requires Congestion Management Agencies (CMAs) to establish Level of Service (LOS) (private vehicle delay) standards for a designated countywide network of roadways. However, pursuant to SB 1636, CMAs may utilize alternate methods to measure and mitigate roadway congestion within an IOZ instead of using traditional LOS measures. SB 1636 further exempts roadway segments and intersections within an IOZ from LOS deficiency planning requirements.

In 2009, the Board of Supervisors designated San Francisco’s first IOZ to better reflect San Francisco’s Transit First land use and transportation policies. This followed the establishment of the city’s first Priority Development Areas (PDAs), in keeping with regional growth framework policies.

In 2013, State Senate Bill 743 (Steinberg) revised the definition of IOZs. The area eligible for designation as an IOZ in the City under SB 743 (Attachment 2) is on the whole larger than the previously designated IOZ, though some areas within the previously designated IOZ would no longer fall within an IOZ pending the new designation. Thus, the previously designated IOZ no longer aligns with the current definition of “IOZ” set forth in the California Government Code.

In January 2020, the Board of Supervisors expanded San Francisco’s PDAs to include west side communities, pursuant to the Metropolitan Transportation Commission’s (MTC’s) regional policies and grant programs set forth in Plan Bay Area 2040 (2017) (Resolution No. 8-20, File No. 191120) and in January 2022, the Transportation Authority approved the San Francisco Transportation Investment and Growth Strategy 2021 update (Resolution No. 22-30), per the MTC’s One Bay Area Grant program requirements. The Board of Supervisors’ adoption of the Housing Element in 2023 and the Transportation Authority’s approvals of the San Francisco Transportation Plan (December 2022) and Congestion Management Program Update (December 2023) further advance planning for San Francisco’s PDAs and IOZ.



## DISCUSSION

The proposed IOZ update would revise the geographical extent of San Francisco's IOZ to be consistent with City policy and state law and enable the Transportation Authority, as CMA for San Francisco, to better support the City's Transit First Policy, long-range plans, and multimodal transportation system through Congestion Management Program practices. Specifically, the designated IOZ areas would be exempt from traditional LOS standards and deficiency planning requirements, allowing the Transportation Authority, as CMA, to focus on alternative measures of system performance strategies, contained in the countywide long-range San Francisco Transportation Plan and Congestion Management Program, that emphasize the movement of people and goods, not just private vehicles.

**Eligible geographic area analysis.** Per the California Government Code (GOV) and Public Resources Code (PRC), an area may be designated as an IOZ if it is:

1. within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan (GOV 65088.1(e));
  - a. a "major transit stop" here means a site (including those in the applicable regional transportation plan (GOV 65088.1(e))) containing any of the following (PRC 21064.3):
    - i. an existing rail or bus rapid transit station,
    - ii. a ferry terminal served by either a bus or rail transit service, or
    - iii. the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods;
  - b. a "high-quality transit corridor" here means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours" (GOV 65088.1(e));
2. consistent with the general plan and any applicable specific plan (GOV 65088.4(c)); and
3. a "transit priority area" within a sustainable communities strategy or alternative planning strategy adopted by the applicable metropolitan planning organization (GOV 65088.4(c)).

Plan Bay Area 2050, published by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments, serves as



the current regional sustainable communities strategy applicable to the City. Although Plan Bay Area 2050 itself does not refer to “transit priority areas”, MTC staff has advised that the “Transit Priority Areas (2021)” map published by MTC is consistent with Plan Bay Area 2050. This map uses the PRC 21099 definition of “transit priority areas”, i.e. areas within one-half mile of a major transit stop that is existing or planned, if the planned stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program or applicable regional transportation plan. “Major transit stops” here are defined using the same PRC 21064.3 definition as above.

**Eligible geographic area findings.** The portion of the “Transit Priority Areas (2021)” map published by MTC that is within the City (“eligible area”), identified below, is eligible for designation as an IOZ because:

1. it reflects all areas in the City within one-half mile of a major transit stop included in a regional transportation plan per the statutory definition, thus satisfying requirement 1; and
2. it is consistent, per a memo issued by the Planning Department on December 19, 2023, with the San Francisco General Plan, thus satisfying requirement 2, and with the eight priority policies of Planning Code Section 101.1, because: (1) it will directly support policy objectives of the General Plan, including, but not limited to, Objectives 3.B, 4.B, 4.C, 5.A, and 5.B of the Housing Element and Objectives 1, 2, 3, 10, 11, 12, 14, 15, 18, and 19 of the Transportation Element; and (2) it will compliment City efforts to promote infill housing, transit-oriented development, and mixed-use commercial developments in proximity to multimodal transportation infrastructure consistent with the City’s General Plan and priority policies; and
3. it is aligned with the “Transit Priority Areas (2021)” map published by MTC, which is consistent with Plan Bay Area 2050, which serves as the current regional sustainable communities strategy applicable to the City, thus satisfying requirement 3.

**Other implications.** The proposed IOZ update has a minor implication concerning notice requirements under the Surplus Lands Act. California Government Code Section 54222 governs the notices of availability that need to be sent when a local agency (which would include non-City agencies) disposes of surplus land. Under subsection (d), a local agency must send a written notice of availability “to any county,



city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located” when disposing of surplus land located within an IOZ designated under California Government Code Section 65088.4.

## **SUPPLEMENTAL MATERIALS**

- Attachment 1 - Text of proposed resolution updating the area designated as an Infill Opportunity Zone for Congestion Management Planning in the City and County of San Francisco under California Government Code Section 65088
- Attachment 2 - Map of area eligible for designation as an IOZ in the City and County of San Francisco under SB 743
- Attachment 3 - Planning Department memo (12.19.2023) finding the proposed IOZ Update to be consistent with the General Plan