

# DOWNTOWN RAIL EXTENSION

LAND USE AND TRANSPORTATION COMMITTEE

Salomon Cordwell Buenz



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# Downtown Rail Extension Fee Waiver

- The proposed ordinance amends the Planning Code to waive certain Development Impact Fees for projects in the Central SoMa Plan Area impacted by the Downtown Rail Extension tunnel (the “Portal”):
  - Transportation Sustainability Fee (PC Section 411A)
  - Eastern Neighborhoods Infrastructure Impact Fee (PC Section 423)
- **December 14, 2023:** Planning Commission recommended approval of Planning Code Text Amendment of Section 406 to conditionally waive fees for projects in the Central SoMa Special Use District

# Downtown Rail Extension Fee Waiver

- The TSF and EN Impact Fees are intended to support new transportation infrastructure.
- Development project sites in close proximity to the Portal tunnel may require specific coordination and unique approaches to mitigate impacts.
- Projects eligible for a fee waiver are those in the Plan Area that include enhanced foundations and shoring systems to mitigate any impact on the Portal tunnel.



# Downtown Rail Extension Fee Waiver

- In order to be eligible for a fee waiver, projects must enter into an agreement with Transbay Joint Powers Authority to provide an enhanced foundation and submit a building or site permit that includes the agreed-upon foundation for concurrence by DBI.
- The Planning Department will contract with a financial consultant to analyze and determine cost difference of a baseline foundation vs. enhanced foundation. A fee waiver will be granted in an amount commensurate with any net increase in cost of the enhanced foundation.
- If approved, the proposed fee waiver would be conditionally granted to the 1,105-unit project at 655 4<sup>th</sup> Street, which was approved by the Planning Commission on December 14, 2023.





**THANK YOU**



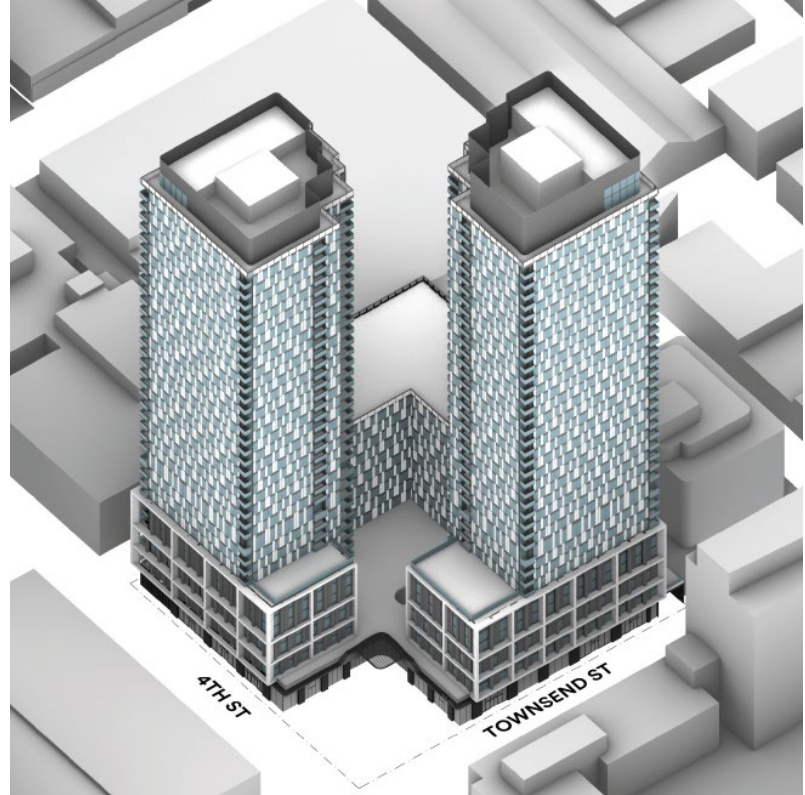
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# Project Synopsis: 655 4<sup>th</sup> Street

- Demolish three existing buildings and parking lots
- Construct new building with two towers (380 and 400 feet, respectively)
  - 1,105 units
  - 9,857 sf of ground-floor retail
  - 9,153 sf of public open space



*Solomon Cordwell Buenz*



# Project Synopsis: 655 4<sup>th</sup> Street



Transbay Joint Powers Authority



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# Fee Calculations: 655 4<sup>th</sup> Street

Impact Fee Type	GFA		Fee per GFA		Assessed Fee	Assessed Fee with 33% Fee Reduction
<a href="#">Eastern Neighborhoods Infrastructure Impact Fee</a>						
	Tier 3					
New Construction of Non-Residential Use	0 GFA	*	0	=	\$0.00	\$0.00
New Construction of Residential Use	1,032,528 GFA	*	29.45	=	\$30,407,949.60	\$20,069,246.74
1:1 Replacement of Retail Use	9,923 GFA	*	0	=	\$0.00	\$0.00
<a href="#">Transportation Sustainability Fee (TSF)</a>						
New Construction of Residential Use	1,032,528 GFA					
<i>Residential, 21-99 units</i>	92,507.03 GFA	*	\$11.18/GFA	=	\$1,034,228.60	\$678,203.26
<i>Residential, above 99 units</i>	940,020.97 GFA	*	\$12.62/GFA	=	\$11,863,064.64	\$7,779,294.50
1:1 Replacement of Retail Use	9,923 GFA	*	0	=	\$0.00	\$0.00
<a href="#">Central SoMa Infrastructure Fee</a>						
	Tier C					
Net Additional Residential	1,032,528 GFA	*	0	=	\$0.00	\$0.00
1:1 Replacement of Retail Use	9,923 GFA	*	0	=	\$0.00	\$0.00
<b>Total</b>					<b>\$43,305,242.84</b>	<b>\$28,526,744.50</b>