

File No. 240758

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Land Use and Transportation

Date: July 29, 2024

Board of Supervisors Meeting: \_\_\_\_\_

Date: \_\_\_\_\_

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- Budget and Legislative Analyst Report
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#### OTHER

- County Transportation Authority Memo – July 8, 2024
- Infill Opportunity Zone Map
- Planning Department General Plan Letter – December 19, 2023
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Prepared by: John Carroll

Date: July 25, 2024

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Updating Infill Opportunity Zone for Congestion Management Planning]

2

3 **Resolution updating the area designated as an Infill Opportunity Zone for Congestion**  
4 **Management Planning in the City and County of San Francisco under California**  
5 **Government Code, Section 65088 et seq.**

6

7 WHEREAS, State congestion management law requires Congestion Management  
8 Agencies (CMAs) to establish Level of Service (LOS) (private vehicle delay) standards for a  
9 designated countywide network of roadways; and

10 WHEREAS, State Senate Bill 1636 (Figueroa 2002) ("SB 1636") allowed local  
11 jurisdictions to designate eligible areas as Infill Opportunity Zones ("IOZs") to allow CMAs to  
12 utilize alternate methods to measure and mitigate roadway congestion within an IOZ instead  
13 of using traditional LOS measures, pursuant to California Government Code, Section 65088 et  
14 seq.; and

15 WHEREAS, The Board of Supervisors previously designated an IOZ (Resolution  
16 No. 494-09, File No. 091335) in December 8, 2009 ("previously designated IOZ") pursuant to  
17 the requirements for designating an IOZ set forth in SB 1636; and

18 WHEREAS, State Senate Bill 743 (Steinberg 2013) ("SB 743") revised the definition of  
19 "IOZ"; and

20 WHEREAS, The San Francisco County Transportation Authority ("Authority") identified  
21 the area eligible for designation as an IOZ in the City and County of San Francisco ("City")  
22 under SB 743 ("eligible area") in the map on file with the Clerk of the Board of Supervisors in  
23 File No. 240758, which is hereby declared to be a part of this Resolution as if set forth fully  
24 herein; and

25

1           WHEREAS, The eligible area is on the whole larger than the previously designated  
2 IOZ, though some areas within the previously designated IOZ will no longer fall within an IOZ  
3 after updating the area designated as an IOZ in the City (“IOZ update”); and

4           WHEREAS, The previously designated IOZ no longer aligns with the current definition  
5 of “IOZ” set forth in California Government Code, Section 65088.1(e); and

6           WHEREAS, The IOZ update would allow the Authority, as Congestion Management  
7 Agency, to better support the City's Transit First Policy, land use planning efforts, compact  
8 land use pattern, and multimodal transportation system through Congestion Management  
9 Program (“CMP”) practices; and

10           WHEREAS, On December 19, 2023, the Planning Department determined that the IOZ  
11 update is consistent with the San Francisco General Plan (“General Plan”), and with the eight  
12 priority policies of Planning Code, Section 101.1 because: (1) it will directly support policy  
13 objectives of the General Plan, including, but not limited to, Objectives 3.B, 4.B, 4.C, 5.A, and  
14 5.B of the Housing Element and Objectives 1, 2, 3, 10, 11, 12, 14, 15, 18, and 19 of the  
15 Transportation Element; and (2) it will complement City efforts to promote infill housing,  
16 transit-oriented development, and mixed-use commercial developments in proximity to  
17 multimodal transportation infrastructure consistent with the City’s General Plan and priority  
18 policies; and

19           WHEREAS, A copy of the Planning Department determination is on file with the Clerk  
20 of the Board of Supervisors in File No. 240758, and is incorporated herein by reference; and

21           WHEREAS, The Board of Supervisors finds the eligible area, as identified in the map  
22 on file with the Clerk of the Board of Supervisors in File No. 240758, which is hereby declared  
23 to be part of this Resolution as set forth fully herein, to be eligible for designation as an IOZ;  
24 and

1           WHEREAS, The Board of Supervisors' eligibility finding is supported by analysis  
2 conducted by Authority staff, which is on file with the Clerk of the Board of Supervisors in File  
3 No. 240758, and which is hereby declared to be a part of this Resolution as if set forth fully  
4 herein; and

5           WHEREAS, Designating the eligible area as an IOZ would align San Francisco's IOZ  
6 with the current California Government Code, Section 65088 et seq. as amended by SB 743;  
7 now, therefore, be it

8           RESOLVED, That the Board of Supervisors finds that the IOZ update is, on balance,  
9 consistent with the General Plan; and, be it

10          FURTHER RESOLVED, That the eligible area is hereby designated an IOZ within the  
11 meaning of California Government Code, Section 65088 et seq.



## **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,

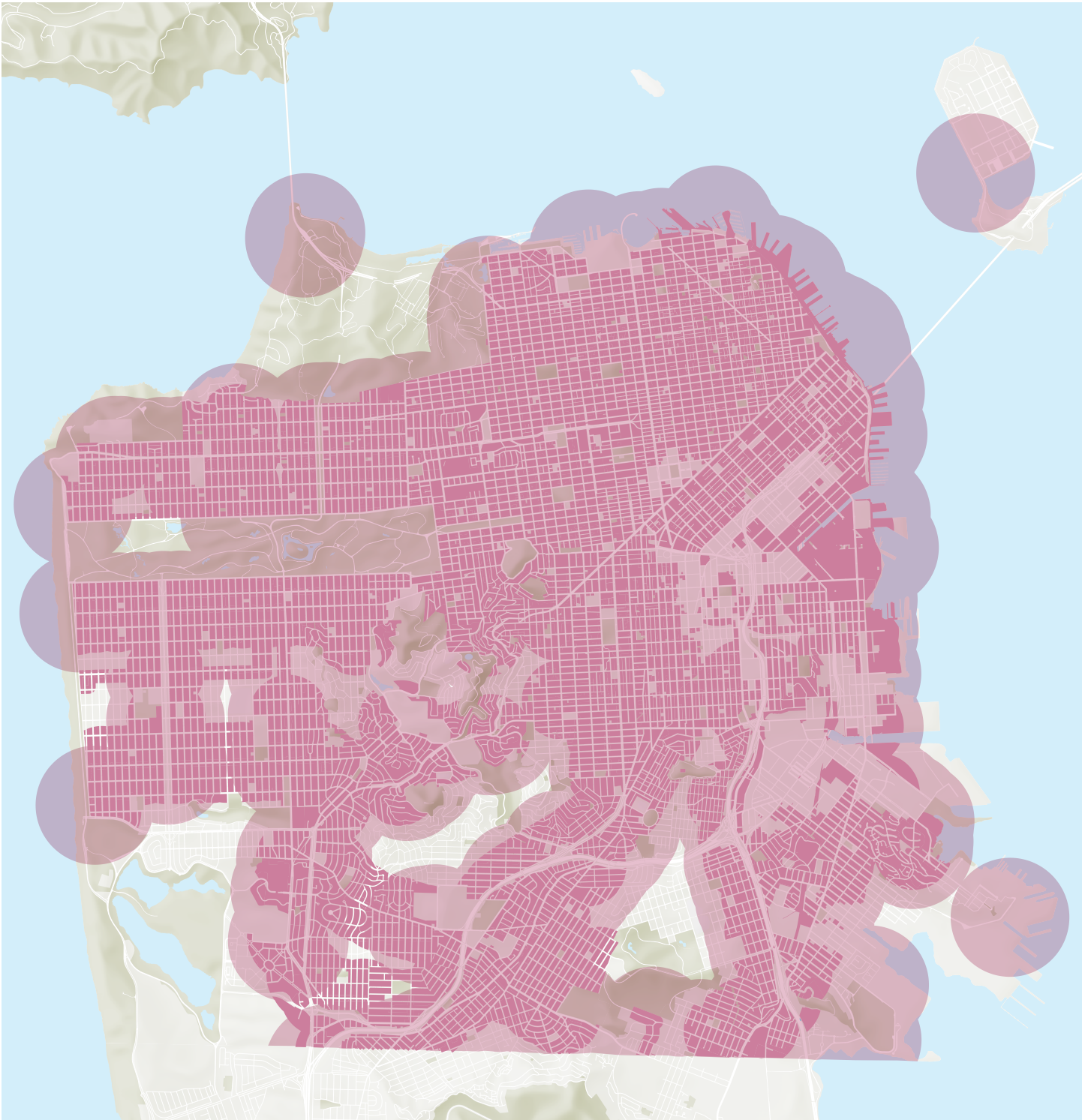




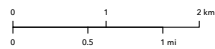
city, city and county, successor agency to a former redevelopment agency, public transportation agency, or housing authority within whose jurisdiction the surplus land is located” when disposing of surplus land located within an IOZ designated under California Government Code Section 65088.4.

### **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



- Area eligible for designation as an IOZ under SB 743
- IOZ designated in 2009





December 19, 2023

Chun Ho Chow  
San Francisco County Transportation Authority  
[chun.ho.chow@sfcta.org](mailto:chun.ho.chow@sfcta.org)  
1455 Market Street, 22<sup>nd</sup> Floor  
San Francisco, CA 94103

**Project:** Infill Opportunity Zone Update  
**Location:** City-wide  
**Staff Contact:** Amnon Ben-Pazi, [Amnon.Ben-Pazi@sfgov.org](mailto:Amnon.Ben-Pazi@sfgov.org); 628-652-7428

Dear Mr. Chow:

The Planning Department has reviewed the proposed Infill Opportunity Zone (IOZ) Update, which would align the City's designated IOZ with the current definition set forth in the California Government Code. The purpose of this letter is to inform you that the proposed IOZ Update is consistent with the San Francisco General Plan and with the eight priority policies of Planning Code Section 101.1.

Streets in designated IOZs are exempt from certain State-mandated vehicular Level of Service (LOS) requirements. The proposed IOZ Update would thus support the City's multimodal transportation system and help to remove certain LOS-related regulatory barriers around the development of infill housing, transit-oriented development, and mixed-use commercial development consistent with the City's General Plan and priority policies. Specifically, the IOZ Update would 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.

Sincerely,

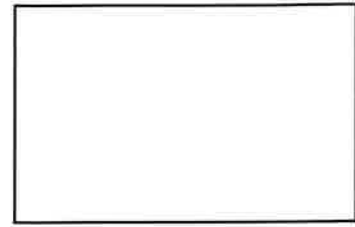
*Amnon Ben-Pazi*

Amnon Ben-Pazi, Senior Planner  
San Francisco Planning  
[Amnon.Ben-Pazi@sfgov.org](mailto:Amnon.Ben-Pazi@sfgov.org)

cc: Tam Tran, San Francisco Planning

## Introduction Form

*(by a Member of the Board of Supervisors or the Mayor)*



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)  
*(Routine, non-controversial and/or commendatory matters only)*
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor \_\_\_\_\_ inquires..."
- 5. City Attorney Request
- 6. Call File No. \_\_\_\_\_ from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No. \_\_\_\_\_
- 9. Reactivate File No. \_\_\_\_\_
- 10. Topic submitted for Mayoral Appearance before the Board on \_\_\_\_\_

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission       Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes       No

*(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)*

Sponsor(s):

Mandelman

Subject:

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 et seq.

Long Title or text listed:

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 et seq.

Signature of Sponsoring Supervisor: