



SFMTA

# Building Progress: Potrero Yard Neighborhood Working Group

December 2024 | Meeting #47



## BUILDING PROGRESS

# Detailed Agenda

1. Member & SFMTA Announcements — 10 minutes
2. Working Group Update – 10 minutes
3. General Project Update – 20 minutes
4. Cultural Resources – 10 minutes
5. Cone Study – 10 minutes
6. Housing Update – 15 minutes
7. Community Engagement Update – 5 minutes
8. Next Steps — 5 minutes
9. Public comment - members of the public who wish to participate in the meeting virtually will be placed on mute, regardless of joining via video or by phone, until the Public Comment section.



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# Member and SFMTA Announcements

John Angelico, SFMTA







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# Announcements: SFMTA's Muni Funding Working Group

The [Muni Funding Working Group](#) includes representatives from the Mayor's Office, Board of Supervisors, SFMTA and SFCTA leadership, labor and business partners, community partners and transportation industry experts.

The group will review detailed options in the following categories and will recommend a suite of options designed to reduce the \$320M funding gap.

-  **Efficiency Improvements:** streamline systems and processes to decrease operating costs. (Oct 17)
-  **Service Cuts:** reduce service to decrease operating costs. (Nov 13 & 20)
-  **Revenue Enhancements:** increase fees, revenue, or taxes to increase overall revenue. (Jan 23)
-  **Service Enhancements:** enhance services to increase support for new revenue. (Jan 29)



Office of the Controller



San Francisco Municipal Transportation Agency



# Announcements: Working Group

Working Group members please share upcoming events or activities with the Working Group, SFMTA, and PNC.



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# Working Group Updates

Caroline Cabral, SFMTA  
John Angelico, SFMTA



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# New Seat – Youth

***Welcome Karolina!***



# Youth Serving Organization Seat Update



- We are reopening recruitment
- **Application link available on [SFMTA.com/PotreroYardNeighborhood](https://www.sfmta.com/PotreroYardNeighborhood)**

*Many thanks to Ross Brown!*



# Proposed 2025 Working Group Calendar

With past Working Group member input, we are proposing:

- All meetings to be hybrid (Location TBD and online) and held on the 2<sup>nd</sup> Tuesday of the every-other month (bi-monthly) from 5:30 p.m. to 7:00 p.m.
  - February 11
  - April 8
  - June 10
  - August 12
  - October 14
  - December 9
- Selected Design-Builder for the Bus Yard Infrastructure would participate in future meetings (pending final selection).
- Additional meetings could be called to provide timely project information to the Working Group, as needed.

We are exploring a shift from Microsoft Teams to Zoom for virtual meeting participation.



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# Project Update

Chris Lazaro, SFMTA



# Form Project Agreement for Bus Yard Approved

In 2024, the project has received its entitlements, completed its environmental review process, and has recently reached a **new milestone with the approval of the Form Project Agreement for the Bus Yard Facility.**

This [resolution](#) was cosponsored by Mayor Breed and Supervisors Walton, Mandelman and Ronen. The legislation sets **not-to-exceed price limits** of the proposed Design-Build-Finance-Operate-Maintain (DBFOM) agreement.

- **Dec 3:** Passed unanimously at the SFMTA Board of Directors
- **Dec 4:** Recommended unanimously by the Board of Supervisors Budget & Finance Committee with amendments
- **Dec 10:** Passed unanimously at full Board of Supervisors

# Project Delivery Approach

The Potrero Yard project is being developed and constructed under a Public-Private Partnership (P3) as a **Design-Build-Finance-Operate-Maintain (DBFOM) project**.

## Design-Build

- Complete design and construction on a fixed-price basis
- Date-certain completion by Nov. 30, 2029
- Includes deductions for nonperformance
- Provides certainty and reduces risk for the city

## Finance

- Developer responsible for majority of upfront costs
- Milestone payments at financial close and by 2033 (earlier payment lowers annual availability payments)
- Annual availability payments start after substantial completion
- Structure allows the SFMTA to finance costs over time

## Operate-Maintain

- Long-term maintenance for 30-year period (includes major building, structural and mechanical systems – such as elevators and HVAC)
- Includes deductions for non-compliance
- At end of 30 years, facility must be handed back in a condition that meets specified requirements

# Community Input has Shaped the Project



## Unanimous

Approval from City Officials



## Multi-lingual

Experiences



150+

Outreach Activities



3,700+

Subscribers to Project Updates



20+

Street Fairs and Community Celebrations



47

Neighborhood Working Group Meetings



50+

Listening sessions and briefings with community organizations & leaders



1,100+

Respondents to Neighborhood Surveys and Feedback Polls

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# Expedited Project Delivery



### 2018-19

- Pre-planning and Outreach

### 2020

- RFQ issued (Aug)

### 2021

- RFP issued (Apr)
- [BOS enabling legislation](#) (Apr)
- Draft EIR published (June)
- DEIR comment period ends Aug 31
- Proposals submitted Dec 31

### 2022

- Developer selection (Nov)
- PDA approval

### 2022

- Pre-Application Mtg (Dec)

### 2023

- Design refinements
- Final EIR hearings (Dec– Jan 24)

### 2024

- Final EIR certification (Jan)
- Entitlements approved by BOS / Mayor (Mar)
- Pursuing NEPA certification
- Bus Yard Design-Builder procurement (Fall)
- **Bus Yard Project Agreement legislation (Dec)**

### 2025

- Bus Yard Design-Builder selection (Winter/Spring)
- Housing/Commercial Agreement legislation (Spring)
- Bus Yard Construction launch (Spring)

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# Bus Yard Project Cost & Financing Plan

The current estimated cost design and construction of the bus yard component is **\$560 million (2024) dollars**. The entire deal structure, including bus yard, joint infrastructure, financing costs and long-term maintenance costs (34 years) is approximately \$2 billion.

The Form Project Agreement sets the **not-to-exceed pricing limits**:

Amount		Date due
<b>\$75M</b>	Milestone Payment #1	Financial close <sup>1</sup>
<b>\$500K</b>	Relocation Payment	Within 60 days of relocating operations
<b>\$200M</b>	Milestone Payment #2	No later than 2033
<b>\$42.2M</b>	Availability Payments	Due annually for 30 years beginning in 2030 <sup>2</sup>

1. 'Financial close' projected to be summer 2025. 2. Annual payments indexed to inflation and subject to market conditions.

The current funding plan assumes a mix of sources:

- General Obligation (GO) bonds
- Federal grant funds
- State, regional and local funds

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# SBE / DBE Plan

After transitioning from a locally funded project to a federally funded project, the LBE Plan of the project transitioned to a **Small Business Enterprise / Disadvantaged Business Enterprise (SBE/DBE) Plan.**

- November 5: The SFMTA's Contract and Compliance Office issued the Draft SBE/DBE Plan
- November 7–8: Public informational meetings were held with the local business community
- November 12: Public Comment period closed
- December 4: The Final SBE/DBE Plan was made public

**The final Project Agreement will include the SBE/DBE Plan.**





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# Cultural Resources

Chris Jauregui, PNC



# FEIR Mitigation Measure: Cultural Resources

- The Final Environmental Impact Report (FEIR) Mitigation Monitoring & Reporting Program (MMRP) includes four mitigation measures related to Historic Architectural and Cultural Resources of Potrero Yard:
  - Documentation of Historical Resource (M-CR-1a)
  - Salvage Plan (M-CR-1b)
  - Interpretation of the Historical Resource (M-CR-1c)
  - Oral Histories (M-CR-1d)
- PNC has worked with SF Planning and the consultant ESA to progress the requirements for each measure.
- **SF Planning has provided initial approval**

# FEIR Cultural Resources Contributors – Thank You!

- PNC met the FEIR mitigation measures related to Historic Architectural and Cultural Resources of Potrero Yard with the support of consultant groups (ESA, Cox Black & White Lab, Inc, Maggie Hallahan Photography & Video, and CopterOptics), guidance from the Planning Commission, and the generous insights shared from:
  - Erick Arguello, Co-Founder and President, Calle 24 Cultural District
  - David Banbury (retired) Division Manager and Former Superintendent of Potrero Yard, SFMTA
  - Paul Bignardi, Transportation Planner, SFMTA
  - Peter Bratt, Project Lead for the Village SF Initiative, Friendship House Association of American Indians
  - Nelson Doon, Maintenance Supervisor of Potrero Yard, SFTMA
  - Ron Mitchell, Operator and Joint Labor Management Board Facilitator, SFMTA
  - George Parks, Operator and Potrero Yard Control Tower, SFMTA
  - Sharaya Souza, American Indian Cultural District



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# Cone Study

Chris Jauregui, PNC



# Cone Study Overview

In November 2024, a second cone study was conducted to test the Bus Yard design.

- Cone study took place at Cow Palace with both 40-foot and 60-foot trolleybuses and a 40-foot Battery Electric Bus
- Operators with varying years of experience participated in the cone study, including Working Group members
- Cones set up to replicate columns, walls, and other structural elements of the Bus Yard design
- Results of the cone study are currently being analyzed

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# Cone Study: Cow Palace



On Nov. 19, 2024, Project staff gathered at the Cow Palace for Cone Study #2. Potrero Yard operations staff brought out several different types of coaches to test the dimensions and traffic patterns in the Bus Yard facility design. The PNC design team observed the maneuvers, documented any clashes or tight turns (if any), and will prepare a report with the results.



1 60-foot Electric Trolley Bus (ETB) at Cow Palace for the second cone study

2 40-foot Battery Electric Bus (BEB)

3 40-foot ETB



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# Housing Updates

Seth Furman, PNC



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# Housing Update: Phase 1

MY-T and our Design Team (Arcadis/YA studio) explored various concepts for Bryant Street Housing that would make the project physically and financially feasible while considering the Design Guidelines and design continuity with the overall Bus Yard.

	<b>Nov 2022 Senior Housing</b>	<b>May 2023 Senior Housing</b>	<b>January 2024 Family Concept</b>	<b>November 2024 Family Schematic Design</b>
<b>Total Units</b>	96 units	101 units	104 units	<b>99 units</b>
<b>Unit Types</b>	Studios, 1-BDs	Studios, 1-BDs	Studios, 1-BDs, 2-BDs, 3-BDs	<b>Studios (11 units), 1-BDs (34 units), 2-BDs (27 units + 1 PM unit), 3-BDs (26 units)</b>
<b>Bedroom Count</b>	96 bedrooms	101 bedrooms	184 bedrooms	<b>179 bedrooms</b>
<b>Stories / Height (at tallest point)</b>	6 stories / 75ft	6 stories / 75ft	13 stories / 150ft	<b>8 stories / 85ft</b>

- Resident amenities: community room, laundry facilities, bike room, open space





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# Housing Update: Funding Sources

MY-T continues to evaluate potential funding sources. Affordable housing projects include funding from a wide variety of sources, including local and state sources, tax credits, developer equity, and other miscellaneous sources.

For Bryant Street Housing, the current funding strategy includes:

Description	Source	When to Apply
HCD <sup>1</sup> 2026 (MHP <sup>2</sup> & IIG <sup>3</sup> )	HCD	NOFA <sup>4</sup> is only once a year
AHSC <sup>5</sup> 2026	HCD	NOFA is only once a year
Federal Tax Credits 2027	TCAC <sup>6</sup> /CDLAC <sup>7</sup>	Twice per year; April and August
Gap Funding (Committed)	MOHCD	Prior to closing; meets monthly
Developer Equity/Deferred Developer Fees (Committed)	MY-T	N/A
Permanent Loan	3 <sup>rd</sup> Party Financial Institution	Prior to closing

## Phase 1 - Bryant Street Early Schematic Design



The proposed housing program is subject to funding sources and market feasibility.

### Key Terms:

- <sup>1</sup> State of California's Housing & Community Development
- <sup>2</sup> Multifamily Housing Program
- <sup>3</sup> Infill Infrastructure Grant Program
- <sup>4</sup> Notice of Funding Availability
- <sup>5</sup> Affordable Housing and Sustainable Communities
- <sup>6</sup> Tax Credit Allocation Committee
- <sup>7</sup> California Debt Limit Allocation Committee

# Housing Update: Phase 1 Schedule Considerations

All project milestones need to be completed before Bryant Street can begin construction. Project schedule is subject to change due to funding, market, and Bus Yard Component (BYC) infrastructure considerations.

Project Milestone	Estimated Date
BYC Financial Close / BYC begins construction	2025
BYC Basement Slab completed	2027
Earliest Bryant Street Housing construction start date	2028
Bryant Street Housing construction completed (est. 24 months)	2029 – 2030
Infrastructure Facility completed	2030



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# Community Engagement Update

Myrna Ortiz, PNC



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# Community Engagement: Potrero Hill Festival

•The SFMTA and PNC participated in the Potrero Hill Festival on October 19, 2024.



Any additional community activities that the Working Group recommends that the SFMTA and PNC participate?





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# Next Steps

John Angelico, SFMTA



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# Next Steps

PNC and the SFMTA have the following community outreach activities planned (subject to change):

- **Potrero Yard public tours: Dec & Jan**
- **Next Working Group meeting (potential): February 11, 2025 (Hybrid)**

Please let us know if there are local residents, businesses, organizations, or other community members that may be interested in learning more the Project.

# Public Comment

- Do any members of the public wish to comment?
- If you are joining via a computer, please use the raise your hand feature and we will unmute you.
- Joining by phone? We will unmute folks one at a time and call out the last four digits of your phone number.
- Please state your name and organizational affiliation.

# BUILDING PROGRESS

## Contact Us

### John Angelico

Public Information Officer

[John.Angelico@SFMTA.com](mailto:John.Angelico@SFMTA.com)

415.646.4783

### Bonnie Jean von Krogh

Building Progress Public Affairs Manager

[BonnieJean.vonKrogh@SFMTA.com](mailto:BonnieJean.vonKrogh@SFMTA.com)

415.646.2447

### Chris Lazaro

Program Director in Building Progress - Potrero Yard Modernization Project

[Chris.Lazaro@SFMTA.com](mailto:Chris.Lazaro@SFMTA.com)

### Potrero Neighborhood Collective

[PotreroYard@plenaryamericas.com](mailto:PotreroYard@plenaryamericas.com)

Sign Up for Project Updates  
[SFMTA.com/PotreroYard](https://www.sfmta.com/PotreroYard)





