

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Chief Strategy Officer

BRIEF DESCRIPTION:

This item presents the SFMTA’s draft Joint Development Program Goals (Goals) and draft Joint Development Program Policy (Policy) for informational purposes only, and no action is being requested from the SFMTA Board of Directors at this time. Staff will hold subsequent public outreach on this topic and request that the Board adopt the final Goals and Policy at a future meeting.

SUMMARY:

- Joint Development involves a developer using SFMTA property for non-SFMTA uses. Uses include housing and commercial development. The SFMTA, the community and the developer benefit. The developer typically owns and finances the non-SFMTA uses.
- SFMTA land provides an opportunity to generate revenue from developer payments to the SFMTA and increased fare revenue from new transit riders. The SFMTA can use the revenue to improve our transportation system and invest in transit. Maintaining an affordable and reliable public transit system is vital to a thriving and equitable city. Additional funding is essential to ensure everyone can access jobs and get where they need to go, regardless of their income, background or neighborhood. Also, Joint Development could advance other City goals, including to provide new housing and foster inclusive, well-connected communities.
- The SFMTA has a history of pursuing Joint Development. Examples include 1 Hotel San Francisco and the Potrero Yard Modernization Project.
- Staff have drafted the SFMTA’s Joint Development Program Goals (Goals) and Joint Development Program Policy (Policy). The Goals define the desired results of the Joint Development Program. The Policy states the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its goals.
- Joint Development aligns with San Francisco Charter by generating new funding sources to address SFMTA’s financial challenges and reinvesting in the City’s transportation system.
- Staff is seeking feedback and direction on the draft Goals and Policy. Staff will hold subsequent public outreach on this topic and request that the Board adopt the final Goals and Policy at a future meeting.

ENCLOSURES:

1. Draft Joint Development Program Goals and Joint Development Program Policy and its appendices

APPROVALS:

DATE

DIRECTOR _____

SECRETARY _____

ASSIGNED SFMTAB CALENDAR DATE: October 15, 2024

PURPOSE

This item presents the SFMTA’s draft Joint Development Program Goals (Goals) and draft Joint Development Program Policy (Policy) for informational purposes only, and no action is being requested from the SFMTA Board of Directors at this time. Staff will hold subsequent public outreach on this topic and request that the Board adopt the final Goals and Policy at a future meeting.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item aligns with the following SFMTA Strategic Plan Goals:

- Goal 1: Identify and reduce disproportionate outcomes and resolve past harm towards marginalized communities.
- Goal 4: Make streets safer for everyone.
- Goal 6: Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking and bicycling.
- Goal 7: Build stronger relationships with stakeholders.
- Goal 8: Deliver quality projects on-time and on-budget.
- Goal 9: Fix things before they break, and modernize systems and infrastructure.
- Goal 10: Position the agency for financial success.

This item supports the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
3. Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights of way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.
5. Pedestrian areas shall be enhanced wherever possible to improve the safety and comfort of pedestrians and to encourage travel by foot.
6. Bicycling shall be promoted by encouraging safe streets for riding, convenient access to transit, bicycle lanes, and secure bicycle parking.
7. Parking policies for areas well served by public transit shall be designed to encourage travel by public transit and alternative transportation.
8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.
10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

DESCRIPTION

Joint Development Definition

Joint Development involves a developer using SFMTA property for non-SFMTA uses. Uses include housing and commercial development.^{1,2} The SFMTA, the community and the developer benefit. The developer typically owns and finances the non-SFMTA uses.

An example is the SFMTA leasing a parking lot to a developer for a well-designed, mixed-use development. The developer constructs the development and makes a return on investment. The community gets a new development that advances a city goal (e.g., housing). The SFMTA gets ongoing revenue from lease payments from the developer. They also get more fare revenue from the new transit riders.³ SFMTA invests that revenue in the transportation system.

The draft Goals and Policy do not address development located on non-SFMTA property. Different strategies may apply to SFMTA's involvement in such development.⁴

SFMTA's Core Responsibilities and Joint Development

The SFMTA's core responsibilities are to create and maintain San Francisco's transportation system. An ongoing, core issue that affects the SFMTA's ability to fully achieve these responsibilities is lack of funding. The SFMTA and the City face more issues. These include a lack of housing, and exclusionary and inactive neighborhoods.

The City owns over 90 properties in San Francisco under SFMTA jurisdiction. These properties are used for transit storage, maintenance and operations; transit turnarounds and stations; streets and transportation and service support; parking garages and lots; power substations; operator restrooms; and open space near SFMTA uses.

The SFMTA is leading [Transportation 2050](#) and the [Building Progress Program](#). The efforts identified Joint Development as a way to achieve SFMTA's core responsibilities.

- Transportation 2050 outlines possible futures and actions to address transportation needs and priorities in San Francisco. Transportation 2050 identified Joint Development as a possible revenue source.
- The Building Progress Program is a multi-billion-dollar initiative. It will modernize the SFMTA campus of facilities. Major elements of the program include facility modernization, electrification infrastructure and Joint Development.

¹ Capitalized words are generally "Defined Terms" in the draft Goals and Policy. See Enclosure 1.

² The developer could also construct a SFMTA use (e.g., facility, transit station, public parking, etc.).

³ The SFMTA makes agreements with other entities on other SFMTA assets, such as signage on bus shelters or buses. The draft Goals and Policy do not cover these agreements. The SFMTA also makes agreements with other entities using SFMTA property for shorter terms or for temporary improvements than envisioned by the draft Goals and Policy.

⁴ The SFMTA often collaborates with the San Francisco Planning Department in reviewing development on non-SFMTA property. SFMTA can also have a transaction with a developer when the development is near or affects SFMTA's property. For example, a developer could pay for a connection to an existing transit station or to upgrade a transit station. While some portions of the draft Policy may be applicable to such development and transactions, most portions of the draft Policy would not be applicable.

The draft Goals and Policy support the SFMTA’s core responsibilities. The SFMTA would do this by generating revenue from SFMTA property to re-invest in building or maintaining other SFMTA properties or to fund other capital or operating costs that support the transportation system. Maintaining an affordable and reliable public transit system is vital to a thriving and equitable city. Additional funding is essential to ensure everyone can access jobs and get where they need to go, regardless of their income, background or neighborhood. Also, Joint Development could advance other City goals, including to provide new housing and foster inclusive, well-connected communities.

The draft Goals and Policy apply to potential Joint Development in a Portfolio of SFMTA properties. The Goals define the desired results of the Joint Development Program. The Policy states the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its goals. The Policy is fair and clear and available to many stakeholders: community groups, the development community, SFMTA Board of Directors, Director of Transportation, SFMTA staff and other agencies and officials. This would allow decision-makers to evaluate each Joint Development project in the context of the Portfolio’s progress towards the Goals, instead of each project needing to fully achieve every Goal by itself.

The SFMTA’s Joint Development Program complies with the San Francisco Charter, as follows:

- Section 8A.102(b)(1) grants the SFMTA “exclusive authority over the acquisition, construction, management, supervision, maintenance, extension, operation, use, and control of all property”. Under this provision, the SFMTA may pursue Joint Development projects on its property.
- Pursuing Joint Development to generate revenue for the agency aligns with Section 8A.109(b), which requires that the SFMTA seek new sources of funding to support its operations.
- Additionally, Section 8A.105(a), permits the SFMTA to use revenue generated from Joint Development for capital improvements and other transportation-related functions, all of which are included in the Charter’s definition of “operations”.

Joint Development can bring new funding from developer payments to the SFMTA and increased fare revenue from new transit riders. The SFMTA can reinvest it in transportation. Joint Development may include non-transportation uses (e.g., housing, commercial). But Joint Development complies with the Charter as it could generate revenue for transportation purposes.

Joint Development at the SFMTA – Past and Present

Joint Development has occurred on SFMTA properties.⁵ Past examples are provided in Table 1. SFMTA has sold or leased its land for 302 residential units, 201 hotel rooms, a public plaza, a youth arts and recreation facility and non-residential development (e.g., ground-floor retail, museum, childcare). The SFMTA³ has transferred some properties to other agencies or developers for Joint Development at large discounts.

⁵ This includes Joint Development projects at predecessor agencies to the SFMTA. Voters established the SFMTA in 2000. Before that, agencies included the Municipal Railway (1912 to 2000), Parking Authority (1949 to 1990) and the Department of Parking and Traffic (1990 to 2002).

Table 1: Joint Development Agreements on SFMTA Land¹

Site	Year ²	Development ³	Agreement	Payment to SFMTA ⁴
Hoff & 16 th Street	1986	49 low-income residential units, 27 private parking spaces and 98 public parking spaces	Sale of air rights and easements over public parking facility	\$1 + \$75K for structural upgrades (one-time)
Mission – Bartlett	1986	51 very-low and low-income residential units, 51 private parking spaces and 353 public parking spaces	Sale of air rights and easements over public parking facility	\$1 + \$336k for structural upgrades (one-time)
1 Hotel (aka Hotel Vitale)	2005	201 room hotel, ground-floor retail including museum	51-year lease, with one 14-year option to extend, over the Mission & Steuart layover yard	\$2.2M (2023 amount, ongoing base and participation rent)
Ocean/ Frida Kahlo Way (aka Phelan Loop)	2015	71 very-low-income residential units, ground-floor retail, plaza, bus loop	Sale of land to SF Redevelopment Agency ⁴ and various other easements and lease agreements	\$4M for sale (one-time); additional grants and payments for complex agreements
Geneva Car Barn & Cameron Beach Yard	2020	Youth arts and recreation facility; potential future phases	Transfer Car Barn property to the Recreation and Park Commission; 55-year lease of Cameron Beach areas for accessory facilities	\$0 for transfer (one-time); payment of proportional share of SFMTA areas of total site in years 15 to 55 (ongoing)
Balboa Park Upper Yard	2023	131 very-low, low-, and moderate-income residential units; childcare; ground-floor retail	Sale of land to MOHCD	\$9.225M (one-time)

MOHCD = San Francisco Mayor’s Office of Housing and Community Development

1. SFMTA staff developed the table based on their institutional knowledge. Staff did not research all agreements between a developer and SFMTA and its predecessor agencies. The table excludes: signage agreements, commercial leases in facilities and parking garages and lots, Japantown Parking Garage and Annex, and agreements with developers at non-SFMTA properties.
2. Reflects year built or opened for joint development project.
3. Development reflects approved amounts unless staff could find updated information. Actual development may vary.
4. Payment dollar amounts are estimates in the year of the agreement, or they are the most recent available.
5. MOHCD acquired the land from the redevelopment agency upon its dissolution.

The SFMTA has partnered with other City agencies to study Joint Development on its properties. This includes at Moscone and 5th and Mission parking garages, five surface parking lots and above the Yerba Buena/Moscone Central Subway station.

The SFMTA is currently prioritizing Joint Development at Potrero Yard and Presidio Yard. The SFMTA expects to request approvals for the Potrero Yard bus facility project agreement at the SFMTA Board of Directors and the Board of Supervisors soon. Agreements for the Joint Development will follow soon thereafter. The draft Goals and Policy will inform the efforts at

Presidio Yard. SFMTA staff will provide a full update regarding Presidio Yard in the future.

In addition to major Joint Development projects, the SFMTA has a work plan to advance its Joint Development Program. This includes pursuing related City and/or state legislation that the SFMTA will discuss with the Muni Funding Working Group. In September, U.S. Department of Transportation, Build America Bureau notified the SFMTA an award of \$1 million Innovative Finance and Asset Concession grant to support the Joint Development Program. The grant will fund work related to assessing existing conditions, developing conceptual proposals for several SFMTA properties and preparing documents mentioned in the draft Policy (see Policy strategies below).

Draft Joint Development Program Goals

The SFMTA's Strategic Plan has a vision for San Francisco. It is a city with diverse and vibrant neighborhoods seamlessly connected by safe, reliable, and affordable transportation that improves the daily lives of everyone who lives, works in or visits the city.

The draft Goals define the desired results of implementing the Joint Development Program Policy. The draft Goals also guide the planning, execution and evaluation of Joint Development projects. They help achieve the SFMTA's vision and responsibilities.

SFMTA staff developed the draft Goals based on discussions with other City agencies and a review of the Strategic Plan, the Transit-First Policy, Transportation 2050, Building Progress Program, San Francisco Climate Action Plan and the San Francisco General Plan.

The draft Goals are:

“Joint Development uses private investment for public good to:

- 1. Invest.** Generate substantial long-term revenues to improve our transportation system.
- 2. Create Inclusive and Well-Connected Communities.** Create development projects that foster inclusive communities and improve access to opportunity and resources.
- 3. Build Sustainable and Resilient Projects.** Build development projects that improve working conditions for SFMTA staff, use green and resilient practices and reduce vehicle miles traveled and greenhouse gas emissions.”

The draft goals are in order of priority. Invest is the top priority. Generating revenue from SFMTA property and using it for the transportation system will support the SFMTA and the other goals.

Creating Joint Development projects that foster inclusive communities is intended to address low rates of newer housing developments in neighborhoods with more resources. Resources include greater access to parks and quality schools, better environmental conditions and higher median incomes. These neighborhoods are in the western, southwestern and northern areas of San Francisco. Creating Joint Development projects that improve access to opportunities and resources is intended to address disparities that exist in such access across neighborhoods. A project can improve access by providing a needed land use or community resource or improving walking, bicycling and public transit conditions. These goals align with those in the San Francisco General Plan, Housing Element.

Building lasting Joint Development projects that improve working conditions for SFMTA staff is important for those properties that include aging SFMTA facilities. Building development projects that use green and resilient practices and reduce vehicle miles traveled and greenhouse gas emissions is important to meet the City's Climate Action Plan goals.

Table 2 identifies potential metrics to track progress across the Joint Development Program for each goal. The Joint Development Program Guidelines will refine these metrics and identify targets for them (see Guidelines section below).

Table 2: Potential Metrics for Joint Development Program Goals

Goal	Potential Metrics
1. Invest	<ul style="list-style-type: none"> • Revenue generation type (e.g., developer payments, fare revenue from new transit riders) • Tax increment (if applicable) • Time to complete stages of project delivery (e.g., solicitation, agreements and implementation) • Revenue uses
2. Inclusive and Well-Connected Communities	<ul style="list-style-type: none"> • Amount and type of land uses by neighborhood (e.g., housing units, by income type, in well-resourced neighborhoods) • Travel times for different trip purposes (e.g., job access by transit trip) • The amount and size of resources missing from low-resourced neighborhoods (e.g., grocery store) • Public outreach and engagement quality
3. Sustainable and Resilient Projects	<ul style="list-style-type: none"> • SFMTA employee working condition survey ratings • Green building certifications • SFMTA asset condition score • Vehicle miles traveled • Energy usage for SFMTA uses • Expenditure on unplanned maintenance

Draft Joint Development Program Policy

The draft Policy provides a framework for clear decision-making. It aligns with the draft Joint Development Program Goals. The draft Policy sets up a portfolio-wide approach to Joint Development. This is instead of a project-by-project basis. The draft Policy is the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its Goals.

SFMTA staff developed the draft Policy based on research and discussions with other transit agencies and other City agencies. They also learned lessons from prior Joint Development projects and reviewed City, state and federal policies and requirements. Staff provides more details to some of these researched items below.

Principles

Principles or values drive the SFMTA’s approach to the joint development program and its projects. The draft Policy has seven Principles. **The first Principle is to prioritize the SFMTA’s responsibilities as a transportation agency in staff and Board decisions regarding Joint Development.** A responsibility for that is to generate revenue to support our system. The other six Principles are: equity, fairness and transparency, financial sustainability, innovation, policy and regulatory alignment and public outreach and engagement. Please see draft Policy for full principles details.

Strategies

The draft Policy has 18 Strategies. These are specific approaches, actions, and in some cases, requirements. The SFMTA would use them to advance the Joint Development Program and its projects.

To implement these Strategies, the draft Policy states that the SFMTA should create and update a Joint Development Program Strategic Plan. Staff should also update the SFMTA Board of Directors on the program and strategic plan. The plan will find ways the SFMTA can advance the program to meet the Goals, given its capacity and resources. Developing the strategic plan will take significant effort. Staff will use the recently awarded grant to develop the strategic plan.

Strategies address items like SFMTA capacity, SFMTA use needs and retention, continuing control and design. Please see draft Policy for full strategy details. This staff report focuses on three Strategies: “Portfolio” development, evaluation and requirements.

Portfolio Development: The draft Policy states that the SFMTA shall keep a list of its property. This includes the properties subject to the Joint Development Program Policy. These are in the Portfolio, in Appendix 1 of the draft Policy. The Portfolio is properties that have the potential to advance Joint Development Program Goals through future Joint Development projects.

The draft Portfolio includes 25 properties.⁶ Inclusion in the draft Portfolio does not make the property “Surplus Land” as defined by the Surplus Land Act as all 25 properties are currently necessary for SFMTA uses (the Act is described in more detail under Portfolio Requirements below). Instead, the properties are locations for potential future Joint Development projects.

Developing the Portfolio is an important first Strategy before the others. It may take years, if ever, for the SFMTA to offer a Portfolio property for Joint Development.

Being in the Portfolio does not change future Joint Development projects’ regulatory requirements.

The future projects would be subject to applicable environmental review and zoning requirements, including Inclusionary Housing requirements, and outreach and engagement.

They would also be subject to Board of Supervisors approval of contracts and leases identified in San Francisco Charter Section 9.118. Contract and Lease Limitations, if applicable.

SFMTA staff developed the draft Portfolio based on the site selection considerations described in the draft Policy. The draft Policy allows the Director of Transportation to amend the Portfolio. This would be based on a property’s potential to advance Joint Development Program Goals and align with the Surplus Land Act and any federal requirements by using the site selection considerations in the draft Policy. Site selection considerations and their relationship to the draft Portfolio include:

- Property condition and use: The SFMTA removed properties from Portfolio consideration if their improvements were newer and if they include many staff and transit vehicles with two exceptions: Potrero and Presidio yards. The Building Progress Program has identified their potential for Joint Development, so they are in the draft Portfolio. The Building Progress Program has also identified three more facilities for joint development: Flynn, Kirkland, and Woods yards. The Director may add these facilities to the Portfolio after more review. This

⁶ Staff is verifying that all 25 properties are under SFMTA jurisdiction. This is due to the complex history of land with SFMTA’s predecessor agencies.

includes identifying which parts of these multi-acre properties may be best suited for Joint Development.

- Site constraints: The SFMTA removed properties from Portfolio consideration that are historic landmarks (e.g., Cable Car Barn and Power House). They also removed properties if they include long-term lease commitments or air rights sold (e.g., Japantown, some parking garages), among other items. The Director may add these properties to the draft Portfolio if future Joint Development could support needed improvements there.
- Neighborhood and site context and site development potential: The SFMTA considered neighborhood and site context, including applicable fair housing requirements. The SFMTA included properties in the draft Portfolio that had good site development potential due to their size, proximity to transit, and existing zoning or potential zoning or policy changes. Two efforts, Downtown and Expanding Housing Choice, could affect zoning or policy at 24 of the 25 draft Portfolio properties. Potrero Yard is the only Portfolio property outside these areas. It went through several years of planning, outreach and City reviews and approvals.
 - [Downtown](#): The Office of Economic and Workforce Development and Planning Department are leading discussions on the future of downtown and SFMTA property in that context. One approach in [Mayor Breed’s 30x30 Downtown Initiative](#) to bring 30,000 new residents and students downtown by 2030 is to spur housing on publicly owned sites. Seven draft Portfolio properties are in the Downtown-Civic Center, Financial District, or SoMa neighborhoods in and around downtown.
 - [Expanding Housing Choice](#): The Planning Department is leading this effort. It involves changes to San Francisco's zoning rules to accommodate new housing, increase housing affordability for low- and middle-income households and help advance the City’s equity goals. The zoning changes would occur in areas defined by the state as having more resources. These neighborhoods are in the western, southwestern and northern areas of San Francisco. San Francisco must change zoning rules by January 2026. This is required by San Francisco’s Housing Element of the General Plan and state law.

SFMTA has met with the Planning Department on this effort. It would include changes to zoning rules for many SFMTA properties. 17 draft Portfolio properties are in the Expanding Housing Choice study area. Other Housing Element actions relate to SFMTA properties. They are described under other strategies.

Thus, future Joint Development projects could advance City and SFMTA goals. They could address economic development, housing, transportation, climate and equity goals. They would do this through new development. They would also do it by generating revenue to invest in our transportation system to support transit, walking and biking.

These goals also align with public priorities identified in outreach by the Planning Department for Expanding Housing Choice in 2023 and 2024. A survey found that respondents wanted improved public transit as the second desired community benefit from new housing development. Transportation was also the second most-discussed theme in seven focus groups.⁷

⁷ San Francisco Planning Department, “[Expanding Housing Choice: Community Engagement Summary](#)”, Spring 2023 – Spring 2024, pages 14 and 23.

Portfolio Evaluation: The draft Policy states that the SFMTA should prepare and regularly update a Portfolio evaluation. The evaluation is more detailed than the one used to develop the Portfolio. The SFMTA may require a consultant with real estate development experience to prepare the evaluation. The evaluation should:

- include the development potential by land use type,
- include projections of job creation and revenue to the SFMTA (e.g., lease payments, farebox revenue, tax increment),
- provide a diversity of land use types across the Portfolio, and
- consider market trends, existing conditions at the properties and existing costs and revenues from the properties (e.g., parking revenues).

This evaluation should also consider developer insights and other government agency feedback on the sites best suited for land uses, including affordable housing. This approach is in alignment with Housing Element actions 1.2.6 and 1.27:

- Action 1.2.6 states “Continue and expand the City’s Public Land for Housing Program through public-private partnerships and use City resources to support the maximum number of permanently affordable housing units on underutilized publicly owned and surplus sites, balancing the financial needs of enterprise agencies and ensuring adequate space and resources to address gaps in community infrastructure, services, and amenities.” It also states that the City will “target 500 to 2,000 affordable units” on publicly owned land between 2023 and 2031, among other items.⁸
- Action 1.27 states “Support the maximum number of permanently affordable housing units and improved transit facilities on SFMTA-owned sites slated for development by leveraging private investment in market-rate units with public funding.”⁹

Portfolio Requirements: The draft Policy states portions of the Surplus Land Act (or “Act”) requirements. The Act is in California Government Code sections 54220 et seq. The Act generally requires all local agencies to offer Surplus Land for sale or lease at a fair market value or fair market rent to housing sponsors for affordable housing before selling or leasing the land. The Act also requires Surplus Land to be offered for open space or school facility purposes in certain circumstances. Surplus Land means the land is not necessary for the local agency’s use, among other items.

⁸ The action also states the City’s Public Land for Housing Program should continue to implement the City’s Surplus Land Acts Ordinance, which is in San Francisco Administrative Code, Chapter 23A. The ordinance includes recommendations of policy to the SFMTA given its jurisdiction and control of their property in the City Charter. The ordinance sets policy to prioritize surplus and underutilized public land for housing, including maximizing affordable housing. Affordable housing means housing that is restricted as affordable to households earning up to 120% of the Area Median Income and may also include housing for homeless or formerly homeless persons. The 120% Area Median Income in the City ordinance is higher than the California Surplus Land Act definition of affordable housing which is earning up to 80% of the Area Median Income.

⁹ “Affordable” is not defined in these Housing Element actions. Based on communications with the Planning Department, it has the same meaning as that in the City’s Surplus Land Acts Ordinance: housing that is restricted as affordable to households earning up to 120% of the Area Median Income and may also include housing for homeless or formerly homeless persons.

The California legislature has amended the Act in the last few years. This includes a new exempt surplus land section for “local agencies whose primary mission or purpose is supply the public with a transportation system” (Section 54221(f)(1)(S)). The section allows such agencies to use land for “commercial, or industrial uses or activities, including nongovernmental retail, entertainment, or office development or for the sole purpose of investment or generation of revenue” if it meets several conditions.

Staff have developed the Policy to comply with the Act’s conditions. The Policy is intended to be adopted by the SFMTA Board of Directors. Additionally, the Policy will designate at least 50 percent of the gross acreage of the six sites in the Portfolio that are one-half acre or larger for residential purposes, of which **at least 25 percent of those residential units will be for Affordable Housing**. More conditions in the Policy include minimum density and competitive solicitation processes.

The Act also includes other relevant exempt surplus land designations for:

- Land less than 0.5 acre in size and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes (Section 54221(f)(1)(B));
- Housing developments that restrict all residential units for persons and families of low or moderate income, among other items (Section 54221(f)(1)(F)); and
- Housing or mixed-use developments that are between one acre and less than 10 acres and include at least 25 percent of the residential units to lower income households, among other requirements (Section 54221(f)(1)(G)).

The California Department of Housing and Community Development enforces the Act and develops guidelines for the Act. Housing and Community Development published updated guidelines in August 2024.

Staff have developed the draft Policy to comply with the Surplus Land Act and guidelines. Staff has communicated with Housing and Community Development about the draft Policy and the Act. Housing and Community Development staff offered to review the draft Policy before adoption. SFMTA staff will consider their input before the adoption hearing.

Guidelines

The draft Policy states that the SFMTA shall create and maintain Joint Development Program Guidelines. The Guidelines shall provide detailed advice on aspects of the joint development program and projects. They shall also allow for flexibility to specific project needs and circumstances. The Guidelines shall include the stages of the Joint Development Program. Examples include competitive solicitation, unsolicited proposals, agreements and implementation.

The Guidelines shall also include roles and responsibilities during those stages. This includes clear expectations for developers regarding outreach and engagement, design, regulatory processes, labor and implementation. It also includes Federal Transit Administration (“FTA”) involvement in Joint Development. FTA is involved when it has an interest in the affected property. This is usually through providing federal funds to acquire or improve a property.

The Guidelines shall also include metrics and targets (see Table 2 above for ideas). The purpose of them is to monitor outcomes of the Joint Development Program. It is anticipated that the metrics and targets will be informed by the Portfolio Evaluation and include items like number of housing units,

including affordable housing units. The SFMTA will develop metrics and targets that comply with Surplus Land Act requirements and consider City policy and outreach and engagement.

The draft Policy states that SFMTA Board of Directors shall adopt the first version of the Guidelines. Thereafter, the Director may amend the Guidelines as specified in the Guidelines.

Developing the Guidelines will take significant effort. Despite this, Appendix 2 of the draft Policy includes a graphic that provides an outline of the potential Guidelines. Staff will use the recently awarded grant to develop the Guidelines.

STAKEHOLDER ENGAGEMENT

Staff discussed with other transit agencies and other City agencies to inform the draft Goals and Policy. Staff recently conducted a workshop with City agencies and non-profits and private organizations involved in housing, land use, real estate and transportation. Staff will do outreach and engagement between the SFMTA Board of Directors hearings. Staff will consider feedback received at the SFMTA Board of Directors hearings and thus far to inform the final Goals and Policy.

Staff will conduct further outreach and engagement on subsequent Joint Development Program activities. This includes developing the Joint Development Program Strategic Plan and Joint Development Program Guidelines. Staff will also engage the Muni Funding Working Group on the Joint Development Program. Also, the SFMTA and/or the developer of Joint Development projects will conduct outreach and engagement according to the Policy.

ALTERNATIVES CONSIDERED

No action is being requested from the SFMTA Board of Directors at this time.

Without Goals and a Policy, the SFMTA would lack a strategic approach to Joint Development opportunities, which could lead to ad-hoc decisions on a project-by-project basis. This could result in inconsistent outcomes, missed opportunities for generating substantial long-term revenues to improve our transportation system and the potential underuse of SFMTA properties. In addition, without a Policy, the SFMTA would not benefit from the flexible approach in complying with the Surplus Lands Act.

Establishing a clear policy provides a framework for decision-making, providing alignment with SFMTA's vision and goals.

FUNDING IMPACT

Hatch Consulting provided an initial estimate of annual revenues based on a range of programmatic and financial assumptions provided by the SFMTA, including improved market conditions such that development is feasible. **As shown in Table 3, Joint Development projects could generate between about \$17 million to \$53 million per year**, depending on the rate of project delivery among other items. The actual funding impact of specific Joint Development projects will be determined as the SFMTA proposes and developers implement them. Revenue estimates do not include offsetting costs; funds available to invest in transportation system may be less than the listed amounts in the

table.

The draft Policy provides the SFMTA flexibility in its use of revenue. For example, joint development revenue at facility sites could support financing rebuilt facilities. As of September 2024, none of the potential projects of the selected sites studied have fully funded project budgets.¹⁰ As stated above, the SFMTA will engage the Muni Funding Working Group on the Joint Development including these revenue estimates.

Table 3: Joint Development Program Annual Estimated Revenue

Scenarios	Annual Estimated Revenue by 2050			
	# of Projects	Ground Lease Rent	Tax Increment Financing (TIF)	TOTAL
Low	5	\$15.6M to \$18.4M	\$1.1M to \$3.1M	\$16.7M to \$21.5M
Moderate	7	\$26.3M to \$31.5M	\$2.6M to \$7.3M	\$28.9M to \$38.8M
High A	12	\$29.8M to \$35.8M	\$3.0M to \$8.4M	\$32.8M to \$44.2M
High B – more density at some sites	12	\$34.6M to \$42.3M	\$3.7M to \$10.3M	\$38.3M to \$52.6M

Source: Hatch, SFMTA 2024

- All estimates are based on a draft, preliminary study of potential revenue from select sites in the Joint Development program. This initial study is based on a range of programmatic and financial assumptions provided by SFMTA and consultant, including improved market conditions such that development is feasible. No detailed estimation or assessments have been conducted for selected sites. Actual revenues are heavily dependent on site, environmental, and market conditions at time of development, among other factors.
- Dollar values are presented in 2024 dollars. M = millions of dollars.
- Ground lease rent estimates represent a range of potential minimum payments and participation rents to the SFMTA. 1 Hotel revenue is estimated in all scenarios based on existing terms and anticipated participation rents. The SFMTA would negotiate ground lease rents for selected sites with a developer and the actual rents will fluctuate from site to site based on location, desirability, assessments, market conditions at time of negotiations, among other factors.
- If a selected site has existing positive revenue from commercial tenants or parking, then the ground lease rent analysis subtracts the revenue lost from improvements due to Joint Development.
- Tax Increment Financing (TIF) is a range to represent the estimated amount the SFMTA could capture from property tax increment gains from Joint Development because of local legislation and policy.
- This initial study does not assess development or construction costs of the selected sites or if SFMTA's operational costs would change. Operational cost decreases could occur from less staff or with fewer contracts for managing and maintaining the selected sites developed under the Joint Development Program. Operational cost increases could result from more staff for Joint Development solicitation, approval, and management processes and for preparing and administering tax increment financing.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney’s Office has reviewed this calendar item.

Staff will request that the Board adopt the final Goals and Policy at a future meeting. Future Joint Development projects will be subject to applicable project-specific approvals, including but not limited to environmental reviews and compliance with federal, state and local regulations as applicable.

RECOMMENDATION

Staff makes no recommendation at this time.

¹⁰ The developer typically owns and finances the non-SFMTA uses at sites so the SFMTA will not fund those portions of the projects.

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This item presents the SFMTA's draft Goals and draft Policy for informational purposes only, and no action is being requested from the SFMTA Board of Directors at this time. Staff will hold subsequent public outreach on this topic and request that the Board adopt the final Goals and Policy at a future meeting.

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PURPOSE

The San Francisco Municipal Transportation Agency's Joint Development Program Goals (Goals) and Joint Development Program Policy (Policy) support the Agency's core responsibilities. They are to create and maintain San Francisco's transportation system. They would do this by generating revenue from SFMTA property and using it for the transportation system. Also, Joint Development could advance other City goals, including to provide new housing and foster inclusive, well-connected communities.

The Goals define the desired results of the Joint Development Program. The Policy states the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its Goals. The Policy is fair and clear and available to many stakeholders: community groups; the development community; SFMTA Board of Directors ("Board"); Director of Transportation ("Director"); SFMTA staff; and other agencies and officials. This would allow decision-makers to evaluate each Joint Development project in the context of the Portfolio's progress towards the Goals, instead of each project needing to fully achieve every Goal by itself.

The following Goals and Policy shall govern the Board, Director and SFMTA staff regarding the SFMTA's Joint Development Program. This includes the delegation of authority of the Board to the Director and the Director's redelegation of authority to SFMTA staff on certain matters in the Policy. Where a provision appears to conflict with a requirement of City, state, or federal law, staff shall confer with the City Attorney.

VISION

The SFMTA's vision for San Francisco is a city with diverse and vibrant neighborhoods seamlessly connected by safe, reliable, and affordable transportation that improves the daily lives of everyone who lives, works in or visits the city.

Joint Development could support this vision. By generating revenue from SFMTA property, Joint Development could provide a new long-term funding source to improve the transportation system. Maintaining an affordable and reliable public transit system is vital to a thriving and equitable city. Additional funding is essential to ensure everyone can access jobs and get where they need to go, regardless of their income, background or neighborhood.

The Goals and Policy are shaped by this vision, other City policies including the Transit-First Policy and those in the San Francisco General Plan, and state and federal laws.

APPLICABILITY

The Goals and Policy apply to Joint Development, which involves a developer using SFMTA property for non-SFMTA uses. Uses include housing and commercial development. The SFMTA, the community and the developer benefit. The developer typically owns and finances the non-SFMTA uses. The Goals and Policy apply to the SFMTA properties listed in the Portfolio, Appendix 1: SFMTA's Joint Development Program Policy: Portfolio. As described in the Policy, the Director may amend the Portfolio.

The Policy also applies to the SFMTA as it considers acquiring property.

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BACKGROUND

The City owns many properties in San Francisco under SFMTA jurisdiction. These properties are used for transit storage, maintenance and operations; transit turnarounds and stations; streets and transportation and service support; parking garages and lots; power substations; operator restrooms; and open space near SFMTA uses.

The Joint Development Program Goals and Policy support the SFMTA's core responsibilities. They are to create and maintain San Francisco's transportation system. The SFMTA would do this by generating revenue from SFMTA property and using it for the transportation system. In addition, Joint Development could advance other City goals, including to provide new housing and foster inclusive, well-connected communities.

The draft Goals and Policy apply to potential Joint Development. They apply across a Portfolio of SFMTA properties. The Goals define the desired results of the Joint Development Program. The Policy states the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its goals. The Policy is fair and clear and available to many stakeholders: community groups, the development community, Board, Director, and staff, and other agencies and officials. This would allow decision-makers to evaluate each Joint Development project in the context of the Portfolio's progress towards the Goals, instead of each project needing to fully achieve every Goal by itself.

The SFMTA's Joint Development Program complies with the San Francisco Charter, as follows:

- Section 8A.102(b)(1) grants the SFMTA "exclusive authority over the acquisition, construction, management, supervision, maintenance, extension, operation, use, and control of all property". Under this provision, the SFMTA may pursue Joint Development projects on its property.
- Pursuing Joint Development to generate revenue for the agency aligns with Section 8A.109(b), which requires that the SFMTA seek new sources of funding to support its operations.
- Additionally, Section 8A.105(a), permits the SFMTA to use revenue generated from Joint Development for capital improvements and other transportation-related functions, all of which are included in the Charter's definition of "operations".

Joint Development can bring new funding from developer payments to the SFMTA and increased fare revenue from new transit riders. The SFMTA can reinvest the revenue in transportation. Joint Development may include non-transportation uses. Joint Development complies with the Charter as it could generate revenue for transportation purposes.

Joint Development is also subject to state requirements and may be subject to federal requirements. California Government Code sections 54220 et seq. ("Surplus Land Act") generally requires all local agencies to offer Surplus Land for sale or lease at a fair market value or fair market rent to housing sponsors for affordable housing before selling or leasing the land. The Surplus Land Act also requires Surplus Land to be offered for open space or school facility purposes in certain circumstances. The Federal Transit Administration, FTA, is involved in Joint Development when it has an interest in the affected property. This is usually through providing federal funds to acquire or improve a property. The SFMTA Joint Development Program Policy addresses both the Surplus Land Act and federal requirements, as applicable.

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JOINT DEVELOPMENT PROGRAM GOALS

Joint Development uses private investment for public good to:

1. **Invest.** Generate substantial long-term revenues to improve our transportation system.
2. **Create Inclusive and Well-Connected Communities.** Create development projects that foster inclusive communities and improve access to opportunity and resources.
3. **Build Sustainable and Resilient Projects.** Build development projects that improve working conditions for SFMTA staff, use green and resilient practices and reduce vehicle miles traveled and greenhouse gas emissions.

JOINT DEVELOPMENT PROGRAM POLICY

SFMTA's Joint Development Program Policy provides a framework for clear decision-making. It aligns with the Joint Development Program Goals. The Policy establishes the Principles, Strategies and Guidelines that the SFMTA shall follow to achieve its Goals.

A. Principles

The SFMTA shall use the following values or Principles to drive the Agency's approach to the Joint Development Program and its projects.

1. **Agency's Responsibilities.** Prioritize the SFMTA's responsibilities as a transportation agency in staff and Board decisions regarding Joint Development.
2. **Equity.** The SFMTA shall promote equitable access to opportunities and resources, including through public transit.
3. **Fairness and Transparency.** The SFMTA shall apply a fair, clear, consistent and streamlined process for projects, while allowing for flexibility to specific project needs and circumstances.
4. **Financial Sustainability.** The SFMTA shall use revenue from Joint Development projects to support its operations, including long-term capital and operational needs and other transportation-related functions and visions, and minimize financial risk to the Agency.
5. **Innovation.** The SFMTA shall use innovative delivery, technology, construction types and financing strategies to meet Joint Development Program Goals when appropriate.
6. **Policy and Regulatory Alignment.** Projects should align with City, regional, state and federal policy goals and regulatory requirements. The SFMTA should only pursue policy and regulatory amendments if they align with Joint Development Program Goals.
7. **Public Outreach and Engagement.** Projects must implement transparent, inclusive, accessible and equitable public outreach and engagement processes.

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B. Strategies

The SFMTA shall use Strategies, or specific approaches, actions, and in some cases, requirements. Depending on the Strategy, the SFMTA shall or should use the Strategy to advance the Joint Development Program and its projects. To implement these strategies, the SFMTA should create and update a Joint Development Program Strategic Plan. It should also update the Board on the program and strategic plan. The SFMTA should use the Strategies below to inform the plan, with the Portfolio Evaluation as a Strategy for each plan. The SFMTA should use applicable Strategies to a Joint Development project based on each project's specific objectives.

1. **Portfolio Development.** The SFMTA shall keep a list of its property in accordance with applicable law. This includes the properties subject to the Joint Development Program Policy. These are in the "Portfolio", in Appendix 1, SFMTA's Joint Development Program Policy: Portfolio. The Portfolio means properties that have the potential to advance Joint Development Program Goals through future Joint Development projects.¹ The Director may amend the Portfolio. This would be based on a property's potential to advance Joint Development Program Goals, and to align with the Surplus Land Act and any federal requirements by using the following site selection considerations:
 - a. Ownership: The SFMTA should consider properties it has jurisdiction over or the City is considering purchasing for SFMTA jurisdiction, including if it has control of the properties' air rights.
 - b. Neighborhood and site context: The SFMTA should consider existing and historic land use and transportation conditions, land use and transportation planning efforts and applicable fair housing requirements.
 - c. Property condition and use: The SFMTA should assess the existing conditions of the property, including the age of any existing improvements on the land, the number of SFMTA staff at the property and property usage.
 - d. Site constraints: The SFMTA should consider preliminary due diligence on items such as topography, soil conditions, flood risks (e.g., sea-level rise, stormwater), historic resource status and legal restrictions (e.g., federal interest, long-term lease commitment).
 - e. Site development potential: The SFMTA should consider the development potential of a property such as its size, proximity to transit, existing zoning and potential zoning changes (e.g., as part of land use planning or economic development effort).
 - f. Diversified geographies: The SFMTA should consider diversifying its Portfolio in terms of neighborhoods to protect against market setbacks in any one neighborhood.

¹ Inclusion in the Portfolio does not make the property Surplus Land as the properties are currently necessary for SFMTA uses.

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- g. Construction sites: The Director shall add to the Portfolio construction staging sites and other properties acquired for the benefit of transit capital projects that are no longer needed for the transit capital project upon completion of construction or for SFMTA facilities.

The Director may determine to only include a portion of a property in the Portfolio based on the above site selection considerations or because of the Portfolio Evaluation.

- 2. **Portfolio Evaluation:** The SFMTA should prepare and regularly update a Portfolio evaluation of development potential by land use type. It should:
 - a. Include projections of residential development, including affordable housing, and commercial, institutional and other non-residential development.
 - b. Include projections of job creation and revenue to the SFMTA. This includes revenue from additional transit ridership and developer payments to the SFMTA using different land disposition methods.
 - c. Provide a diversity of land use types across the Portfolio that meet Portfolio Requirements (see below), support complete neighborhoods and two-way trip patterns for Muni (e.g., non-residential uses in neighborhoods with predominant residential uses, grocery stores in food desert, etc.), and to protect against market setbacks in any one land use type.
 - d. Consider developer insights and other government agency feedback on the sites best suited for affordable housing or other uses, market trends, existing conditions at the properties and existing costs and revenues from the properties.
- 3. **Portfolio Requirements:** The SFMTA shall require the Portfolio to comply with the California Surplus Land Act as may be amended. Currently, for parcels at one-half acre or larger in the Portfolio, that requires:
 - a. At least 50% of the gross acreage in the Portfolio shall be used for residential purposes.
 - b. At buildout, development of the Portfolio shall be at least 300 residential units, or at least 10 residential units per gross acre, averaged across all land within the Portfolio, whichever is greater.
 - c. At least 25 percent of all residential units built in the Portfolio shall for Affordable housing, with a covenant or restriction recorded against the land at the time of disposition that shall run with the land and is enforceable against any owner or lessee who violates the covenant or restriction and each successor in interest who continues the violation.
 - d. The SFMTA shall issue a competitive request for proposals for land disposed of for residential purposes in an open, competitive solicitation process, or an open,

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competitive bid, provided that all entities specified in the Surplus Land Act are invited to participate.

- e. Prior to entering into an agreement to dispose of a Portfolio property for non-residential development, since January 1, 2020, the SFMTA must have entered into an agreement(s) to dispose of a minimum of 25% of the Portfolio property designated for Affordable housing.

In addition to the Surplus Land Act requirements, the SFMTA shall require applicable Joint Development projects to comply with the City's Inclusionary housing program.

4. **Agency Capacity:** The SFMTA should consider the capacity of Agency staff and external resources to advance Joint Development projects after completing Portfolio Evaluation. This should account for capacity to manage continuing control of Joint Development projects.
5. **Agency Collaboration:** The SFMTA should collaborate with other agencies on Joint Development Strategies and projects. The SFMTA should establish clear roles and responsibilities that prioritize the advancement of projects. This includes early collaboration with the FTA if there is a federal interest in the project.
6. **Property Owner Partnerships:** The SFMTA should partner with other property owners on additional or expanded Joint Development opportunities that align with Joint Development Program Goals.
7. **Transit Corridor Planning:** During the initial transit corridor planning, the SFMTA should create good conditions for future transit corridor and Joint Development projects. This includes reviewing property acquisition needs that can serve both. Examples are land for construction staging, new stations and station facilities (e.g., turnarounds, storage, maintenance and operations, operator restrooms, etc.).
8. **Site Advancement and Value Creation:** The SFMTA should advance sites for Joint Development. This includes doing more due diligence and site and infrastructure planning and design. The SFMTA should also identify and implement ways that create value. These strategies include policy and regulatory changes that support SFMTA Joint Development Goals. Examples are rezoning of property and local and state legislation related to innovative use of property tax increment. The SFMTA should track the costs of and value created from leading such strategies. The SFMTA should consider such costs and value as part of Joint Development agreements (e.g., reimbursements from lease proceeds).
9. **SFMTA Use Needs and Retention:** The SFMTA shall consider the Agency's long-term needs for SFMTA uses before entering into a Joint Development agreement (e.g., facility expansion, construction staging, future transit corridor, etc.). The SFMTA should reduce conflicts and risks between private development and SFMTA facilities during construction and operations. Joint Development projects that temporarily displace a facility needed for the Agency shall replace facilities on-site or off-site at a standard

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defined by the SFMTA. Joint Development projects that affect SFMTA parking garages and lots shall include a transportation demand management plan. This plan must address the effects and comply with San Francisco Charter on new parking or expansion.

10. **Competitive Solicitation:** The SFMTA should use a competitive procurement process that best advances Joint Development Program Goals. This would usually be a Request for Qualifications and/or Requests for Proposals process.
11. **Unsolicited Proposals:** To the extent allowed by law, the SFMTA should consider Joint Development projects proposed by developers (“unsolicited proposals”) if the proposals align with Joint Development Program Goals and Principles. Unsolicited proposals can be a valuable path for the SFMTA to understand market interest in the development of a Joint Development project in the Portfolio and/or public works project prior to a competitive solicitation process.
12. **Value and Revenue:** The SFMTA shall determine the fair market value and revenue generating potential of a potential Joint Development project in accordance with applicable law. Prior to entering a Joint Development project agreement, the SFMTA shall consider this value and revenue generating potential in relation to current revenues generated by the property, alternatives to Joint Development and Joint Development Program Goals.
13. **Continuing Control:** The SFMTA should use the land disposition method for Joint Development agreements that best advances Joint Development Program Goals. This would typically be a long-term lease, rather than the sale of property.
14. **Regulatory Streamlining:** The SFMTA should encourage the use of laws for Joint Development projects that streamline regulatory processes if they align with Joint Development Program Goals and project objectives.
15. **Outreach and Engagement:** The SFMTA should require the use of public outreach and engagement plans for Joint Development projects.
16. **Design:** The SFMTA should require Joint Development developers to work collaboratively with the San Francisco Planning Department, other City Departments and stakeholders on designs that meet regulatory requirements, and only seek regulatory amendments if they align with Joint Development Program Goals.
17. **Labor:** The SFMTA shall comply with applicable laws.
18. **Tenants:** To the extent allowed by federal law and to the extent applicable, Joint Development projects that terminate an existing lease should work with the existing lessee to provide a right of first refusal to sign a new lease within the project at the then current market value.

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C. Guidelines

The SFMTA shall create and maintain Joint Development Program Guidelines. The Guidelines shall provide detailed advice on aspects of the Joint Development Program and projects. They shall also allow for flexibility to specific project needs and circumstances. The Guidelines shall include the stages of the Joint Development Program. Examples include competitive solicitation, unsolicited proposals, agreements and implementation.

The Guidelines shall also include roles and responsibilities during those stages. This includes clear expectations for developers regarding outreach and engagement, design, regulatory processes, labor and implementation. It also includes FTA's involvement in Joint Development.

The Guidelines shall also include metrics and targets. The purpose of them is to monitor outcomes of the Joint Development Program.

The Board shall adopt the first version of the Guidelines. Thereafter, the Director may amend the Guidelines as specified in the Guidelines.

D. Defined Terms

The following defined terms apply to the Goals and Policy.

"Affordable housing" means housing that complies with the affordability requirements of the Surplus Land Act, which currently means housing that is made available to lower income households, as defined in Section 50079 of the California Health and Safety Code (which means 80 percent of Area Median Income), at an affordable sales price or rented at an affordable rent, as defined in Sections 50052.5 and 50053 of the California Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing.

"Board" means the SFMTA Board of Directors.

"City" means the City and County of San Francisco.

"Developer" means the entity that leases or purchases the SFMTA property for Joint Development.

"Director" means the Director of Transportation for the SFMTA.

"Dispose" means as defined in Section 54221 of the Surplus Land Act, which currently means the (i) lease of surplus land for a term longer than 15 years, that allows for demolition or development or (ii) sale of surplus land.

"Facilities" means SFMTA facilities for transit storage and maintenance and operations; transit turnarounds and stations; streets and transportation service support; power substations; operator restrooms; and other related SFMTA facilities. Excludes SFMTA parking garages and lots and open space.

"FTA" means Federal Transit Administration.

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“Goals” define the desired results of the Joint Development Program Policy. These Goals guide the planning, execution and evaluation of Joint Development projects. They ensure that they help achieve the SFMTA’s vision and responsibilities.

“Guidelines” means detailed advice on aspects of Joint Development Program and projects. They also allow for flexibility to specific project needs and circumstances.

“Inclusionary housing program” means the City’s program that requires new residential projects of 10 or more units to pay an affordable housing fee or meet the inclusionary requirement by providing a percentage of the units as below market rate units at a price that is affordable to low- or middle-income households, either on-site within the project, or off-site at another location in the City.

“Joint Development or Joint Development projects or project(s)” involves a developer using SFMTA property for non-SFMTA uses. Uses include housing and commercial development. The SFMTA, the community and the developer benefit. The developer typically owns and finances the non-SFMTA uses during the term of use of SFMTA property.²

“Policy” means principles, strategies and guidelines that the SFMTA shall follow to achieve its Goals. The Policy provides a framework for clear decision-making and alignment with the Joint Development Program Goals.

“Portfolio” means properties that have the potential to advance Joint Development Program Goals through future Joint Development projects, are listed in Appendix 1, and are subject to the Joint Development Program Policy. These properties may be currently necessary for SFMTA uses. Inclusion in the Portfolio does not make it Surplus Land.

“Principles” means the values that drive the Agency’s approach to Joint Development projects.

“Property” means City owned land under the SFMTA’s jurisdiction and improvements upon the land. In limited instances, this could also refer to non-City land, if specified (e.g., if the City is considering purchasing non-City land as part of a SFMTA transit capital project).

“SFMTA or Agency” means the San Francisco Municipal Transportation Agency.

“SFMTA uses” includes SFMTA Facilities, SFMTA parking garages and lots and other SFMTA uses.

“Surplus Land” means as defined in Section 54221 of the Surplus Land Act, which currently means land owned in fee simple by a local agency for which the local agency’s governing body

² The SFMTA makes agreements with other entities on other SFMTA assets, such as signage on bus shelters or buses. The SFMTA also makes agreements with other entities to use SFMTA property for shorter terms or for temporary improvements than envisioned by these Goals and Policy. These Goals and Policy do not cover these agreements.

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takes formal action in a regular public meeting declaring that the land is surplus and not necessary for the agency's use.

"Surplus Land Act" refers to California Government Code sections 54220 et seq., which generally requires all local agencies to offer Surplus Land for sale or lease at a fair market value or fair market rent to housing sponsors for affordable housing before selling or leasing the land. In certain circumstances, Surplus Land must be offered for open space or school district facilities.

"Strategies" means specific approaches, actions, and, in some cases, requirements. Depending on the Strategy, the SFMTA shall or should use the Strategy to advance the Joint Development Program and its projects.

"Unsolicited Proposals" means a written application for a new or innovative project submitted to the SFMTA on the initiative of the offeror for the purpose of obtaining a contract with the Agency, and that is not in response to a Request for Proposals, Agency Announcement, or any other SFMTA-initiated solicitation or program.

"Vehicle Miles Traveled (VMT)" means a measure of the amount and distance that a Joint Development project causes people to drive.

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APPENDIX 1: SFMTA'S JOINT DEVELOPMENT PROGRAM POLICY: PORTFOLIO

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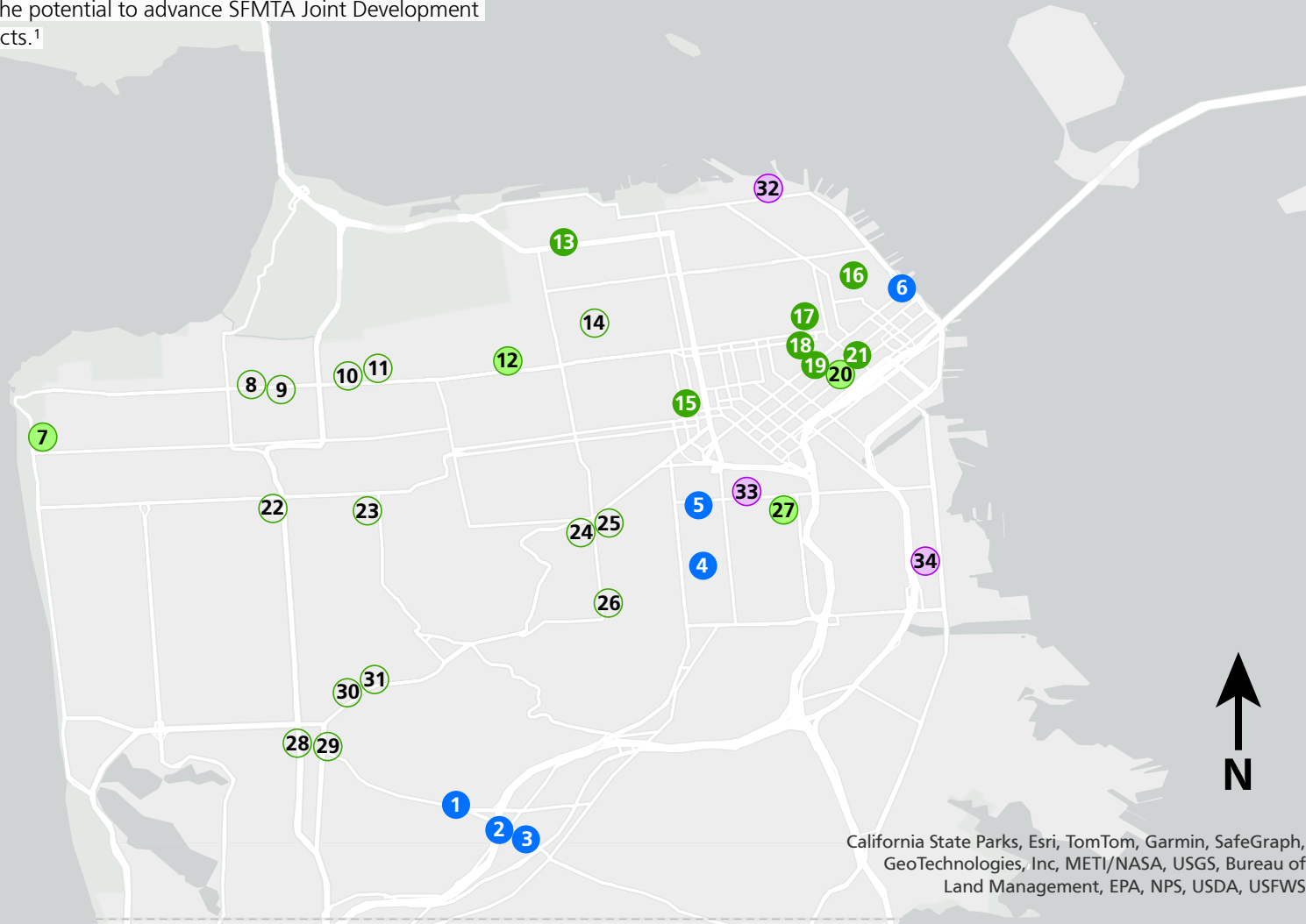


APPENDIX 2: JOINT DEVELOPMENT PROGRAM GUIDELINES – UNDER DEVELOPMENT

DRAFT SFMTA's Joint Development Program Policy – Portfolio

This DRAFT map displays SFMTA properties that have the potential to advance SFMTA Joint Development Program Goals through future joint development projects.¹

● Existing Joint Development
● DRAFT Portfolio
● Under Review



California State Parks, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA, USFWS

- 1 Ocean-Frida Kahlo, Residential Mixed-use
- 2 Balboa Park Upper Yard, Residential Mixed-use
- 3 Geneva Car Barn & Cameron Beach Yard, Community Center
- 4 Mission-Bartlett, Residential + Garage
- 5 Hoff & 16th Street, Residential + Garage
- 6 1 Hotel, Hotel Mixed-use
- 7 La Playa & Cabrillo Terminal Loop, 0.44 Acre
- 8 Geary/21st Ave. Lot, 0.17 Acre, 21 Parking Spaces
- 9 18th Ave./Geary Lot, 0.23 Acre, 21 Parking Spaces
- 10 9th Ave./Clement Lot, 0.18 Acre, 21 Parking Spaces
- 11 8th Ave./Clement Lot, 0.25 Acre, 26 Parking Spaces
- 12 Presidio Yard, 5.4 Acres, 478 Staff, 132 Transit Vehicles²

- 13 Pierce Street Garage, 0.32 Acre, 116 Parking Spaces
- 14 California/Steiner Lot, 0.43 Acre, 48 Parking Spaces
- 15 Performing Arts Garage, 1.01 Acres, 598 Parking Spaces²
- 16 Golden Gateway Garage, 0.37 Acre, 1095 Parking Spaces
- 17 Sutter-Stockton Garage, 0.43 Acre, 1865 Parking Spaces
- 18 Ellis-O'Farrell Garage, 0.77 Acre, 950 Parking Spaces²
- 19 Fifth & Mission/Yerba Buena Garage, 2.77 Acres, 2585 Parking Spaces²
- 20 Yerba Buena/Moscone Station (above) & Headhouse, 0.34 Acre
- 21 Moscone Center Garage, 0.93 Acre, 732 Parking Spaces²
- 22 20th Ave./Irving Lot, 0.20 Acre, 24 Parking Spaces
- 23 8th Ave & Irving Street Lot, 0.28 Acre, 41 Parking Spaces
- 24 18th St./Collingwood Lot, 0.19 Acre, 28 Parking Spaces

- 25 Castro/18th St. Lot, 0.19 Acre, 20 Parking Spaces
- 26 24th St./Noe Lot, 0.13 Acre, 16 Parking Spaces
- 27 Potrero Yard, 4.4 Acres, 465 Staff, 158 Transit Vehicles²
- 28 19th Ave./Ocean Lot, 0.18 Acre, 20 Parking Spaces
- 29 Ocean/Junipero Serra Lot, 0.19 Acre, 20 Parking Spaces
- 30 West Portal/14th Ave. Lot, 0.14 Acre, 19 Parking Spaces
- 31 Ulloa/Claremont Lot, 0.30 Acre, 23 Parking Spaces
- 32 Kirkland Yard, 2.6 Acres, 338 Staff, 188 Transit Vehicles
- 33 Flynn Yard, 6.2 Acres, 424 Staff, 119 Transit Vehicles
- 34 Woods Yard, 8.2 Acres, 856 Staff, 204 Transit Vehicles

1. These properties are currently necessary for SFMTA uses. Inclusion in the Portfolio does not make it Surplus Land as defined by the Surplus Land Act.

2. These properties are subject to Portfolio Requirements for parcels at one-half acre or larger. The Director of Transportation may amend to include only a portion of these properties in the Portfolio based on SFMTA needs.

Draft Joint Development Guidelines Content (Appendix 2)

