

**Potrero Yard Neighborhood Working Group Meeting #47 Minutes**  
 Thursday, December 12, 5:30 p.m. to 6:45 p.m.  
**In-person Virtual & Hybrid Meeting via Microsoft Teams**

Note – The meeting minutes capture the overall tone of the group’s discussion and is not meant to be an exact transcription.

<b>Members Present:</b>	<b>PNC Staff:</b>	<b>City Staff:</b>
Amy Beinart	Chris Jauregui	Bonnie Jean von Krogh (SFMTA)
Christian Howes	Jackson Smith	Caroline Cabral (SFMTA)
Christian Vega	Jennifer Trotter	Chris Lazaro (SFMTA)
Erick Arguello	Michelle Feng	Eric Harding (SFMTA)
Heather Dunbar	Myrna Ortiz	John Angelico (SFMTA)
James Bryant	Natalie Jenkins	Kerstin Margary (SFMTA)
Jolene Yee	Seth Furman	
Karolina R		<b>Members not Present:</b>
Raven McCroey	<b>Members of the Public:</b>	Claudia DeLarios Morán
Scott Feeney	None	J.R. Eppler
Shellena Eskridge		Jorge Elias, Jr.
		Magda Freitas
		Manuel (Dino) Santamaria
		Mary Travis-Allen
		Peter Belden
		Roberto Hernandez

**Purpose of the meeting**

The purpose of the meeting is to provide the Working Group members a project update on the Board of Supervisors Preliminary Project Agreement Approval, the bus yard infrastructure, and Phase 1 of the Housing Component.

**Item 1. Welcome**

John Angelico: (Slide 1) Welcomed everyone to the December Working Group meeting hosted at MEDA.

John Angelico: (Slide 2) Presented the meeting agenda.

**Item 2. Member and SFMTA Announcements**

John Angelico: (Slide 4) In order to address significant funding gaps that the SFMTA is anticipating, an SFMTA Muni Funding Working Group has been created. This group is presided

over by the City Controller and the SFMTA and explores ways to reduce transit costs and increase revenue. The current funding gap is \$320 million. Opportunities may include efficiency improvements, service cuts, revenue enhancements, and service enhancements. There are approximately 20 individuals in the group. More information can be found on the [SFMTA website](http://www.sfmta.com/projects/muni-funding-working-group) at [www.sfmta.com/projects/muni-funding-working-group](http://www.sfmta.com/projects/muni-funding-working-group). The SFMTA also recently opened [The Muni Store](https://themunistore.com/) with Muni merchandise and apparel. Visit <https://themunistore.com/>

Comment: I'm so happy to see all the beautiful merchandise! (Shellene Eskridge)

- Response: We're excited to see the ugly holiday sweaters in action, we're on our 4th round of restocking items. (John Angelico)

John Angelico: (Slide 5) Opened the meeting to announcements from Working Group members.

- No announcements were made.

### **Item 3. Working Group Updates**

John Angelico: (Slide 6) Introduced Working Group updates.

John Angelico: (Slide 7) We are excited to introduce Karolina, our new Youth Seat Representative. Tonight is Karolina's first meeting.

- John Angelico: (Slide 8) The Youth Serving Organization seat is open for application. PNC and the SFMTA would like to thank Ross Brown from Horizons SF, who previously held the Youth Serving Organization seat on the Working Group, for his service and commitment to the Project. The application is available on [SFMTA.com/PotreroYardNeighborhood](http://SFMTA.com/PotreroYardNeighborhood).

John Angelico: (Slide 9) PNC and the SFMTA will be shifting our 2025 Working Group meetings to bi-monthly. Here are the proposed dates:

- February 11
- April 8
- June 10
- August 12
- October 14
- December 9

Comment: We looked at the school district calendar and major holidays to come up with these dates. We are also looking at shortening the meetings from 2 hours to an hour and a half. (Jennifer Trotter)

- Response: Thank you for that clarification. We are also exploring a shift from Microsoft Teams to Zoom for virtual meeting participation. This will make facilitation easier and improve processes. (John Angelico)

### **Item 4. Project Updates**

Chris Lazaro: (Slide 10 - 11) The project agreement received unanimous preliminary approval from the SFMTA Board of Directors, the Board of Supervisors Budget & Finance Committee (with amendments), and the Board of Supervisors. The resolution was cosponsored by Mayor Breed and Supervisors Walton, Mandelman, and Ronen. This approval was for the bus yard facility only.

The next step is to continue the procurement of the Design-Build Contractor. Once this is complete, the full agreement and pricing will be presented to the SFMTA Board of Directors and the Board of Supervisors with final approval anticipated in June 2025.

Chris Lazaro: (Slide 12) The approval was based on the Design-Build-Finance-Operate-Maintain (DBFOM) approach. The DBFOM framework reduces the financial risk to the city and supports long term building maintenance with a 30-year payback period. This is the first public-private-partnership (P3) infrastructure project for the SFMTA.

Chris Lazaro: (Slide 13) Community input greatly shaped the project through partner and community member collaboration. We are proud that the project reflects many of the community's expressed needs.

Chris Lazaro: (Slide 14) The expedited project delivery timeline was shared with the SFMTA Board of Directors on December 3, 2024. The P3 approach will help this project move along quickly compared to other infrastructure projects. Specifically, for the SFMTA, the agency has never been able to achieve this level of speed for environmental clearance and entitlements for any other major capital project.

Chris Lazaro: (Slide 15) Recent approvals include not-to-exceed amounts for the project. The SFMTA will make an initial payment of \$75 million to PNC at financial close (anticipated in summer 2025). This funding is already secured and available. An additional \$500,000 will cover relocation costs to move Potrero Yard operations to a temporary site. A \$200 million milestone payment is due to PNC by 2033, which SFMTA hopes to fund through a general obligation bond, with potential voter opportunities in November 2026 and November 2032. Once the bus yard facility is complete, SFMTA will pay Availability Payments to PNC annually for 30 years. The initial payments would be no higher than \$42.2 million. Making the \$200M payment earlier would reduce the annual Availability Payments, much like a mortgage – paying more up front reduces payments thereafter. Funding sources could include federal, state, regional, and local grants.

Q: What is the amount and source of the \$275 million? (Amy Beinart)

- A: \$200 million would have been set aside specifically for this project from the 2022 general obligation bond, but that fell short in the Nov 2022 election. There are two GO bonds being programmed for the city's 10-year Capital Plan, one in 2026 and one in 2032. And most of the \$75 million milestone payment 1 has been secured from various sources. (Chris Lazaro)

Chris Lazaro: (Slide 16) To pursue federal funding, the project shifted from a Local Business Enterprise (LBE) Plan to a Small Business Enterprise and Disadvantaged Business Enterprise

(SBE/DBE) Plan. The SFMTA Contracts and Compliance Office published a draft plan in early November, followed by information sessions and a public comment period. The project team is actively collaborating with the SFMTA Contracts and Compliance Office (CCO).

Comment: How confident are you that there is an opportunity for federal funding under the new administration? (Scott Fenney)

- Response: Appropriations for these grant programs are secured through 2026, unless reversed by an act of Congress. These funds are designated for 2025 applicants. Grant awards are not within our control, so it is crucial for the team to effectively communicate the need to elected officials. (Chris Lazaro)

## **Item 5. Cultural Resources**

John Angelico: (Slide 17) Introduced cultural resources updates.

Chris Jauregui: (Slide 18) As part of the Final Environmental Impact Report (FEIR), there are several mitigation measures that the project team is required to conduct to preserve the culture and history of the site, as well as any artifacts that are uncovered during the dig. We are working closely with SF Planning and our consultant, ESA through this mitigation period.

Chris Jauregui: (Slide 19) The Cultural Resources mitigation could not be possible without the support and ideas from the community. Thank you to the following individuals who contributed to the project directly:

- 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

## **Item 6. Cone Study**

Chris Jauregui: (Slide 20-21) In November 2024, a second cone study was conducted to test the Bus Yard Design. The first cone study and analysis were conducted in March 2024. The November study confirmed maneuver capabilities for 40-foot and 60-foot trolleybuses and a 40-foot Battery Electric Bus. Operators with varying years of experience participated in the cone study. Cones were set up to replicate columns, walls, and other structural elements of the Bus Yard design.

Chris Jauregui: (Slide 22) The PNC design team observed the maneuvers, documented any clashes or tight turns, and will prepare a report with the results.

Comment: I was at the first cone study and the team used out different buses for different weight distributions. (John Angelico)

Q: What were some of the main concerns from March that were looking to be addressed in the November study? (Shellena Eskridge)

- A: The main concern was that the buses need to make all the turns. In the first study, we moved cones to indicate the ramp and to test how the buses made the sharp left from Mariposa Street to Bryant Street. In November, we conducted five different tests across the three different types of buses. We determined that no changes are required based on where the columns and walls are placed in the facility. (Chris Jauregui)

Q: Does a cone study properly mimic how a bus would go down a ramp or up a ramp, noting that the test parking lot used is flat? (Jolene Yee)

- A: Yes, we were able to account for the ramp gradient and it is more of an issue going downward (for buses driving from the third floor down to the first). That is the reason why we ultimately moved a column after the March study. The November study was focused on bus maneuvers and all of the maneuvers passed. (Chris Jauregui)

### Item 7. Housing Updates

Seth Furman: (Slide 23) Introduced housing updates.

Seth Furman: (Slide 24) The Potrero Yard housing plan has evolved throughout the project in response to funding sources. In January 2024, the Phase 1 plan was revised to include 104 family units. It has now been adjusted to 99 units, consisting of studios, 1-, 2-, and 3-bedroom apartments, totaling 179 bedrooms across eight stories. This adjustment simplifies the design and construction process, reduces costs, while ground-floor commercial spaces and resident amenities remain unchanged. Such changes are common in affordable housing projects, reflecting the team's responsiveness to market conditions. The chart below illustrates the plan's progression.

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

Seth Furman: (Slide 25) Affordable housing funding comes from various sources, including the state, the City and County of San Francisco, and federal tax dollars. Each source has its own application process, timeline, and contingencies for project start and completion. The chart

below outlines the funding opportunities we plan to pursue. We are already receiving funds from MOHCD.

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

**Key Terms:**

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

Seth Furman (Slide 26): If the bus yard starts construction in 2025, we will be on track to start the housing in 2027 and complete construction between 2029 and 2030. All housing feasibility is dependent on funding.

<b>Project Milestone</b>	<b>Estimated Date</b>
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	Within 4 years*

\*corrected, previously stated 2030

Q: Is there an update on Phase 2 of Housing? (Scott Fenney)

- A: We are currently focused on Phase 1 as that will be built on ground level and would start sooner than Phase 2. (Seth Furman)

Q: What is the status of Phase 2? (Scott Fenney)

- A: The Phase 2 affordable housing units remain dependent on if the team can secure funding from the state. We are still committed to Phase 2 and will create a timeline that is aligned with the Phase 1 construction.

### **Item 8. Community Engagement Update**

John Angelico: (Slide 27) Introduced the Community Engagement Update.

Myrna Ortiz: (Slide 28) We recently attended the Potrero Hill Rhythm & Blues Festival and had a lot of great interactions with the festival attendees. We collected over 60 support cards in person.

Comment: Mayor Elect Lurie was in attendance and stopped by to say hello to the team. (Chris Lazaro)

- Response: Thank you to all of the SFMTA staff who attended and worked at the booth as well. If any working group members have community events in 2025, please let us know and we are happy to attend and share project information. (Myrna Ortiz)

### **Item 8. Next Steps**

John Angelico: (Slide 29) Introduced project next steps.

John Angelico: (Slide 30) The SFMTA will be hosting several public tours in December and January. The dates are to be determined. (Note: the next tours will be Thursday, Dec. 19 at 4:15 and 4:45 p.m.) The tours are a great way to see the historic yard and learn more about the operations before it is demolished. We intend to have a community ceremony at the yard to “say goodbye”. This will be separate from the public site tours.

The next Working Group meeting is February 11, 2025.

John Angelico: (Slide 31) Opened the meeting for public comment.

Comment: We have a video related to the cultural resources section that was referred to earlier. The video is narrated by David Banbury, who used to do the central control announcements for SFMTA and knows the agency's history quite well. (Myrna Ortiz). Video played.

Comment: If you are going to add any new meetings, please make sure there is as much notice to the working group as possible so we can be made aware of those meetings. (James Bryant)

- Response: Public tours are coming up next week and in January, but the next Working Group meeting will be February 11.

The meeting concluded at 6:40 p.m.