



SFMTA

Building Progress: Potrero Yard Neighborhood Working Group

September 2025 | Meeting #50



Detailed Agenda

1. Member & SFMTA Announcements — 10 minutes
2. Bus Yard Updates – 60 minutes
3. Community Engagement Update – 10 minutes
4. Next Steps — 5 minutes
5. 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.



SFMTA

Member and SFMTA Announcements

John Angelico, SFMTA



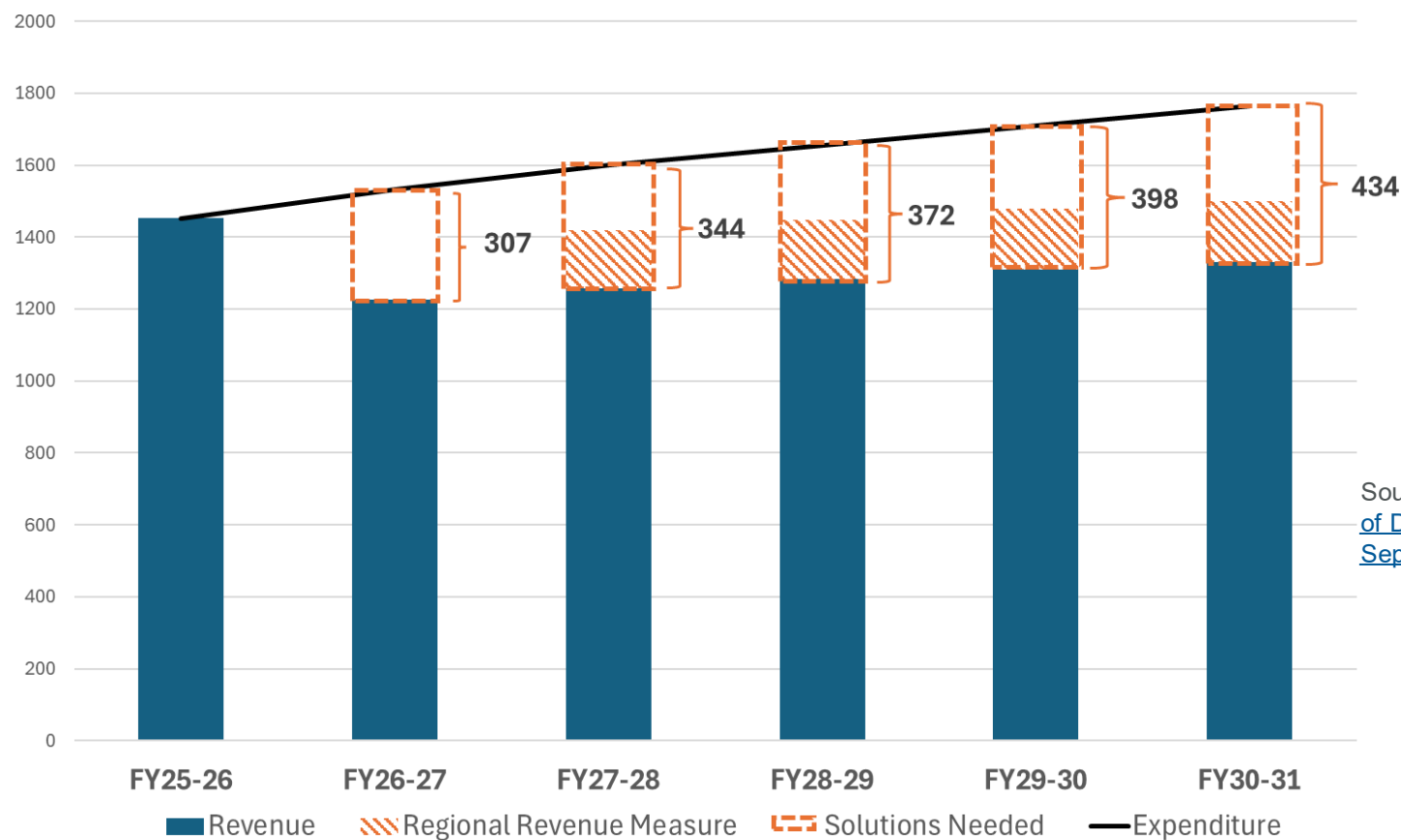
Announcements: Working Group

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

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SFMTA Budget Update

The SFMTA faces a **projected \$307 million operating budget shortfall** beginning July 1, 2026, when state and federal relief run out. We have been able to reduce the gap from previous estimates.





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Bus Yard Updates

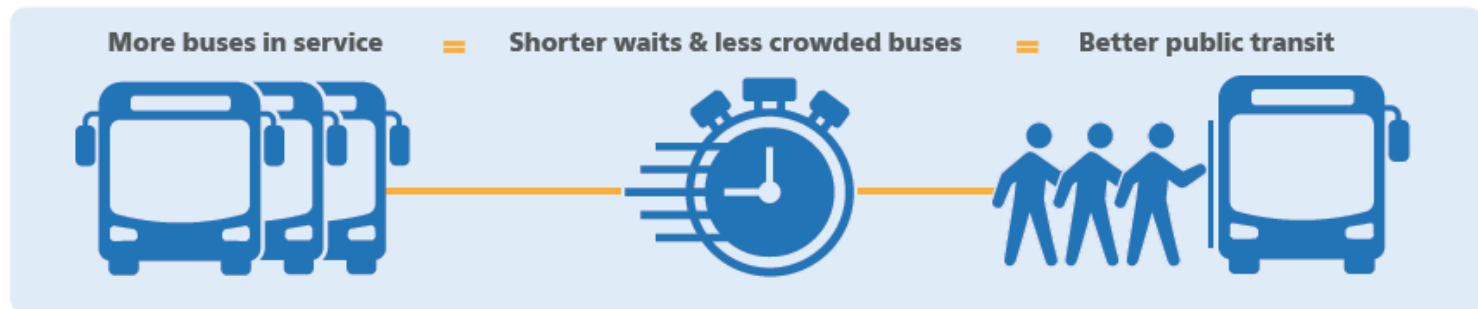
Chris Lazaro, SFMTA
Chris Jauregui, PNC



Critical Infrastructure

At its core, the Potrero Yard Modernization Project is a **critical infrastructure** project. Replacing the facility now will:

- Improve **earthquake safety** at one of our most vulnerable facilities.
- Create safer **working conditions** for more **efficient** bus repairs and staff retention.
- Preserve **essential transit** service for San Francisco residents while also allowing the agency to grow its fleet as ridership recovers.
- Ensure consistent and reliable service to **Muni Service Equity neighborhoods**.



Project Milestones

Since 2018 the SFMTA has partnered with community to reimagine Potrero Yard as a joint development. We thank you for your partnership and support to reach these milestones:

- ✓ Project pre-planning conducted
- ✓ PNC selected as project Development Team
- ✓ SFMTA and PNC joint community outreach and engagement on project design progression
- ✓ Entitlements granted by BOS and mayor
- ✓ Updated the Environmental Impact Report (EIR) and received CEQA certification
- ✓ Received federal NEPA Clearance
- ✓ General Contractor selected
- ✓ Targeted outreach to local, small, and disadvantaged businesses
- ✓ Initial pricing provided



Entitled Project (2024)

Proposed Project



The proposed Project includes:

- Four-story bus yard that supports up to 246 buses
- Up to 465 residential units
- A maximum allowable height of 150 feet
- Approximately 92,000 square feet of open space
- Protected and widened bike lanes with a new crosswalk on 17th Street and Hampshire Street

Proposed Project Variant (Paratransit)



The proposed Project Variant includes:

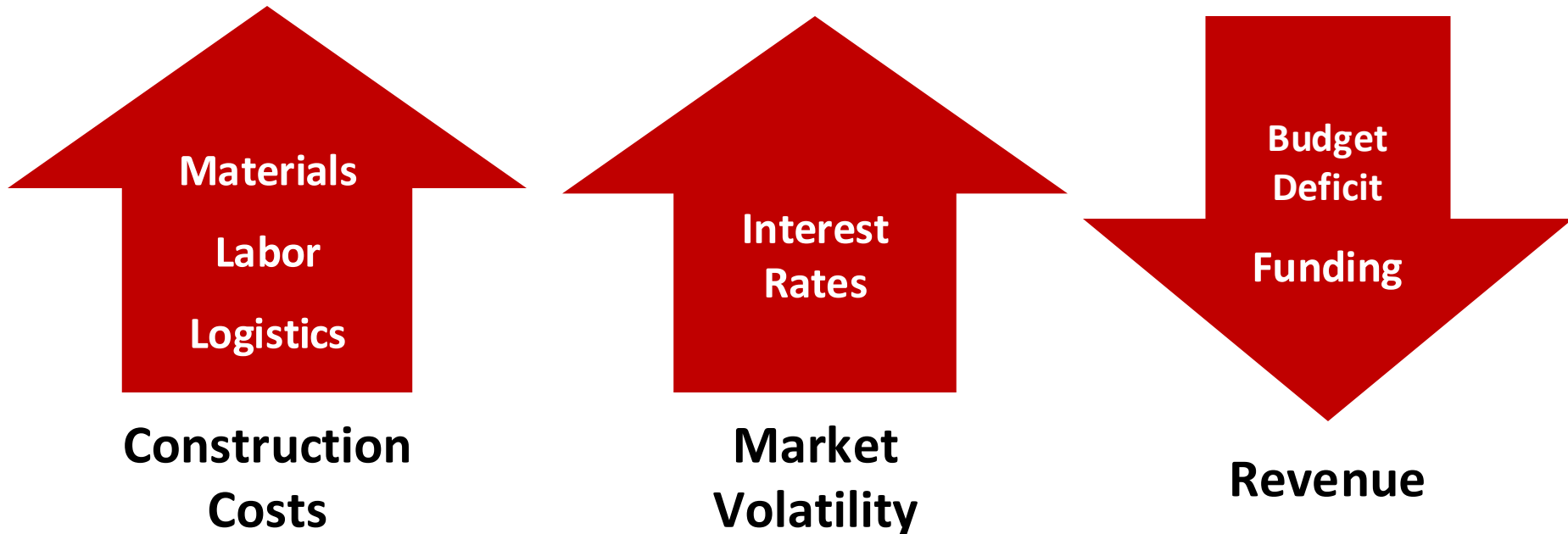
- Four-story bus yard that supports up to 246 buses
- Space for paratransit ramps, circulation, and parking for up to 160 paratransit vehicles
- Approximately 100 residential units along Bryant Street
- Approximately 6,000 square feet of open space on roof of Bryant Street housing
- Protected and widened bike lanes with a new crosswalk on 17th Street and Hampshire Street

**The project is now in one of its
most difficult stages: final
pricing for the bus yard.**

**We are facing significant
financial pressures.**

**The SFMTA and Potrero
Neighborhood Collective are
looking for a path to make this
project feasible.**

Affordability Challenges



In recent months we have analyzed how to:

1. Lower cost of design and construction.
2. Reach an affordable price for both milestone payments and long-term annual payments.

Timing Challenges

- Our partnership with Potrero Neighborhood Collective (PNC) enables the City to design, build, and finance the new bus yard, repaying the cost over time.
- Ridership is growing and we need to be prepared with reliable transit services to meet this increased demand.
- The predevelopment agreement with PNC **expires March 31, 2026**.
- Without a project agreement approved by this date, the entire project is endangered.



Costs only increase with delays, making the project further out of reach.

Initial Steps to Reduce Construction Price

Earlier this year the SFMTA, PNC and Webcor began taking steps to finalize pricing to build the bus yard and **reduce costs without compromising quality of performance**. The team looked at:

- **Value Engineering** – alternatives for materials, systems, equipment or features
- **Design Efficiencies** – design & construction efficiencies
- **Administrative Cost Review** – repricing insurance, permits, and other general requirements based on accepted design and construction updates.

Not Every Idea to Lower Cost Works

To address cost and time challenges facing the project, the Team considered several ideas that ultimately could not move forward, such as:

- **Eliminating one level of the bus yard** – removing the 4th floor reduces construction costs but also reduces bus capacity by more than a third, negatively impacting transit service.
- **Reducing the building footprint** – this option negatively impacts bus circulation in the building, reduces the number of bus wash stations and maintenance bays, and severely impacts bus operations.
- **Extending financing term** – a 40-year repayment term, rather than 30 years, would reduce the SFMTA's annual payments but would also add hundreds of millions in additional financing costs.
- **Considering market-rate housing** – presumed to be a way to generate additional revenue, market-rate housing is stalled across the city without the added complexity of building above a bus yard. Community feedback shows a strong preference for affordable housing rather than market-rate.



Creating a Path to Feasibility

At this time, major project modifications must be considered with the goal to reach an affordable price for the SFMTA.

If we cannot reach an affordable price, the entire project — including all community benefits — would be endangered.

We have examined additional areas of saving, efficiency, and optimization to create a *Path to Feasibility*.

Path to Feasibility: Restructuring Agreement

Current Plan

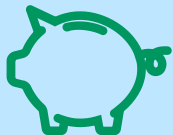
The original deal structure was for PNC to design-build-finance-operate-maintain (DBFOM) the yard

- PNC to finance the cost of design & construction and maintain the bus facility.
- The SFMTA to pay PNC back for these costs over 30 years.

Proposal

Restructuring the agreement with PNC to **remove O&M**

- PNC would only finance the yard's design and construction.
- SFMTA would perform O&M on facility's systems and structure.



Cost Savings — Significant savings over 30 years in annual payments

Path to Feasibility: Reducing Mezzanine Level

Current Plan

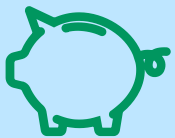
Mezzanine (2nd floor) at full size

- Includes SFMTA administrative functions, operator dispatch, employee training rooms, and health & wellness spaces.
- Community Room provided for public access.

Proposal

Scale back Mezzanine level

- Reduces the size (~44,000 sq ft) of the Mezzanine level without compromising staff training, wellness, and operations needs.
- Retains the Community Room as a public amenity.



Cost Savings — Decrease in construction labor/materials cost, overhead costs, and operation & maintenance costs

Path to Feasibility: Reducing Basement Size

Current Plan

Basement at full depth and size

- Includes some SFMTA working space, bicycle & carshare/NRV parking, and building systems for both the bus yard and housing.
- Excavation depth and footprint most costly to construct.

Proposal

Scale back basement from full level

- Remove or move some systems to other parts of building.
- Approximately ~67,000 sq ft reduction.



Brings flexibility — Could streamline construction and simplify Bryant Street Housing development

Cost Savings — Decrease in construction labor/materials cost, overhead costs, and operation & maintenance costs

Revised Schedule — Reduce time required to build the bus yard

Path to Feasibility: Removing the Podium

Current Plan

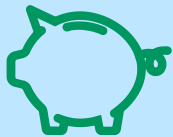
Reinforced structural podium

- A five-foot concrete pad and structural support is needed to support housing (or paratransit).

Proposal

Remove the podium

- **This would eliminate the opportunity to construct any housing or paratransit above the bus yard.**



Short-Term Cost Savings — Reduces construction labor/materials cost, overhead costs, and time required to build the bus yard

Long-Term Cost Savings – avoids substantial additional financing costs of the upfront investment required for podium housing

Path to Feasibility: Removing the Podium (cont.)

Removing the podium would be an extremely difficult decision — especially after the SFMTA and PNC co-created strategies to save the podium housing opportunity. Key concessions that the SFMTA made over the last two years include:

- Changed the housing schedule to a **phased approach** to allow housing developers more time to secure funding.
- Developed a strategy to **navigate regulatory requirements** so SFMTA would be permitted to pay for the upfront costs of the strengthened podium (by including a paratransit alternative).

The cost of the podium is a key portion of the bus yard's lack of affordability.



Feasibility Challenges to Building Housing on the Podium

Market Conditions: Both affordable and market rate development face the same increases in construction and development costs as the bus yard.

Limited Funding: The Mayor's Office of Housing and Community Development (MOHCD) is committed to supporting the proposed housing on Bryant Street. However, the **proposed podium housing does not have any city or other local subsidies identified** at this point.

Competitive Funding Sources: Funds for affordable housing are highly competitive. Typically, **without significant local subsidy, affordable housing is not competitive** for state, federal Low-Income Housing Tax Credit, or other funding.

Preserving Bryant Street Housing

While the primary focus is on making the bus yard financially feasible, the city and MY-T (affordable housing developer) agree that **removing the strengthened podium over the bus yard would not impact the ability to build the approximately 100 units of affordable housing** along Bryant Street.

We are being transparent about the challenges and trade-offs while reaffirming our long-term commitment to affordable housing.

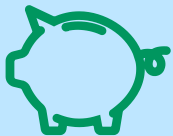
Path to Feasibility: Eliminating the Roof

Current Plan

The Potrero Yard is currently an open-air facility with buses being washed and parked outdoors. The current plans call for the facility to be completely enclosed.

Proposal

Removing the roof would return the bus yard to an open-air facility on the 4th floor where trolley buses are planned to be washed and parked.



Cost Savings — construction labor/materials cost, overhead costs, and time required to building the bus yard.

Path to Feasibility: Redesigning Ground Floor

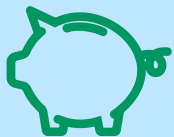
Current Plan

The ground floor of Potrero Yard is designed to include three (3) retail spaces, a public restroom, and two (2) SFMTA staff lobby entrances.

Proposal

Redesigned ground floor includes:

- Reduces retail square footage (17th and Hampshire streets)
- Eliminates one (1) SFMTA staff lobby (17th and Bryant streets)
- Public restroom retained (on Bryant Street).



Cost Savings — Construction labor/materials cost, overhead costs, and time required to building the bus yard.

Prevents Revenue Loss - Reduces risk of retail vacancy.

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Project Public Amenities Retained

Prior to selecting a Lead Developer, the Neighborhood Working Group informed the principles for delivering public benefits. The team has worked to retain these amenities requested by the Working Group:

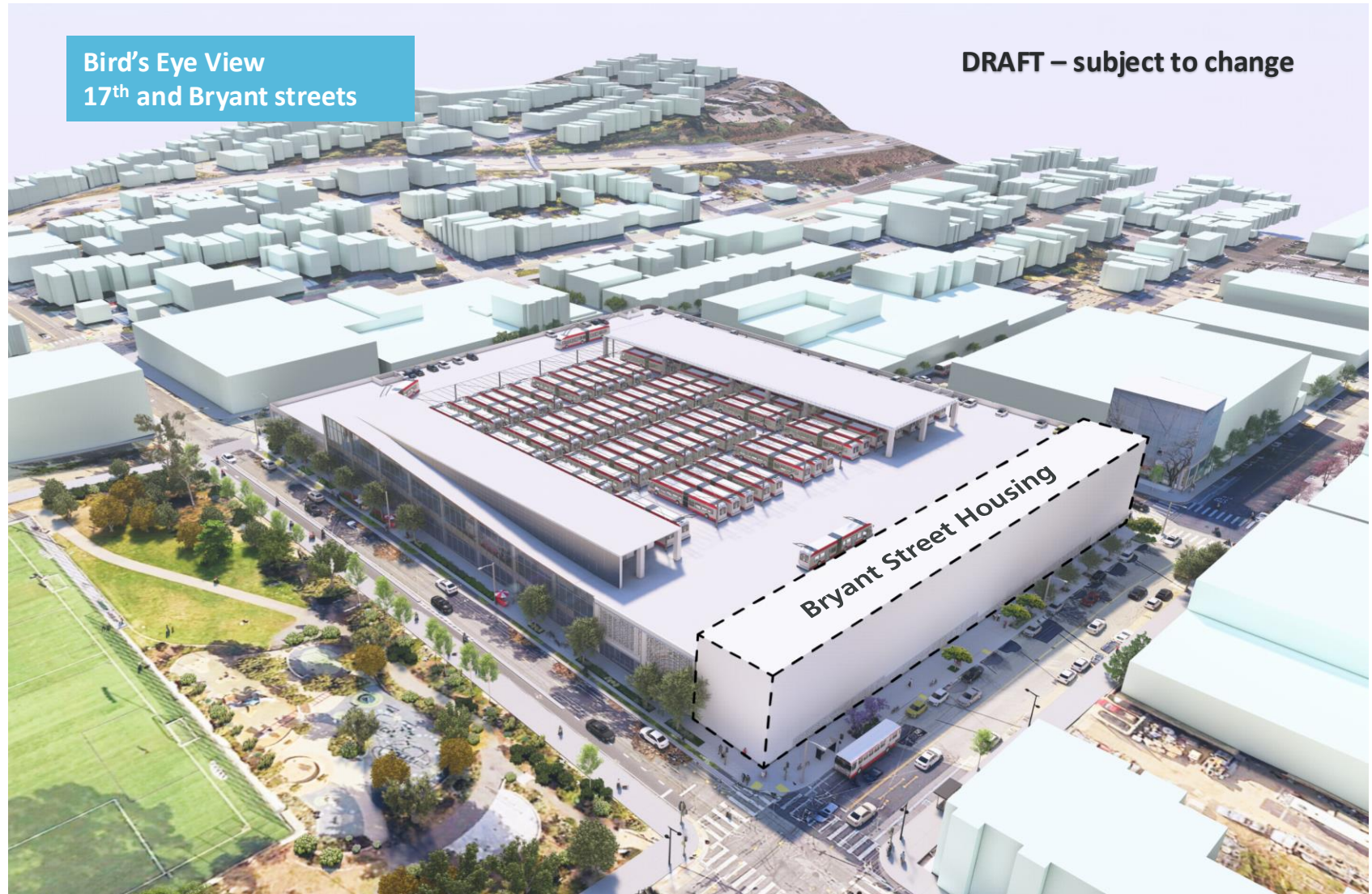
- **Economic Development** – SF businesses contribute significantly to the project build-out with a Small / Disadvantaged Business Plan.
- **Community Room** - meeting space accessible by the public with advanced reservations.
- **Public Restroom** – located near Franklin Square to serve parkgoers and public at large.
- **Streetscape Improvements** – including widened sidewalks, enhanced landscaping, and improved crosswalks.
- **Upgraded Bicycle Lanes** – upgrades the 17th Street Bikeway between Bryant Street and Hampshire Street to Class IV with protected and widened bicycle lanes.
- **Bicycle Parking** – provides Class 1 staff bicycle parking (long-term parking) and Class 2 short-term bicycle parking.



Path to Feasibility: Rendering

Bird's Eye View
17th and Bryant streets

DRAFT – subject to change



Anticipated Bus Yard Facility Project Schedule

2025	2026	2027–30
• Spring–Fall: value engineering and price reduction process, Design-Build submit final pricing, finalize deal terms and project structuring • Late Sep–Oct: additional outreach & engagement phase • Nov–Dec: SFMTA to determine if Design-Build final price is affordable	• Jan–Feb: SFMTA Board & BOS approval of Bus Yard Project Agreement • February: Muni bus operations temporarily relocated • Late Feb–Early Mar: Financial Close, Preconstruction “notice to proceed” (NTP) • Spring–Fall: PNC takes control of site to begin demolition and construction	• Q2 2030 Bus Yard reaches Substantial Completion (<i>bus yard construction expected to last approximately 4 years</i>) • 2030: Bus yard reopens

All dates are subject to change



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Community Engagement Update

John Angelico, SFMTA



Upcoming Community Meetings

The team is committed to being transparent with public about the proposed project changes. The SFMTA and PNC will update the public at:

Date	Outreach	Audience	Format
October 1, 2025	Project Update Meeting	Community Based Organizations	Hybrid (in person and virtual)
October 7, 2025	Inreach	Yard Staff	In Person
October 9, 2025	Inreach	Yard Staff	In Person
October 15, 2025	Public Meeting	General Public	In Person
October 16, 2025	Public Meeting	General Public	Virtual
October 18, 2025	Potrero Hill Festival	General Public	In Person

Community Project Update

Two community meetings will be held on:

Wednesday, October 15, 5:00–7:00 p.m. Mission Arts Center (745 Treat Ave, San Francisco)

Dinner provided

Thursday, October 16, 5:30–7:30 p.m.
Virtual / Online

Information available at [SFMTA.com/PotreroYard](https://sfmta.com/PotreroYard).

Invitations will be mailed to 900 ft. radius of the bus yard.



Next Working Group Meeting

The next Potrero Yard Neighborhood Working Group meeting was originally scheduled for Tuesday, October 14, 2025. However, no substantial updates will be available as Webcor will be in the process of pricing the proposed project changes with pricing from subcontractors.

We anticipate being able to provide the Working Group with project updates in November – December 2025. We will email you to schedule a new date for the next Working Group meeting.



Public Comment

John Angelico, SFMTA



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.

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