



SFMTA

Building Progress: Potrero Yard Neighborhood Working Group

March 10, 2026 | Meeting #55



POTRERO
[Neighborhood
Collective]

Detailed Agenda

1. Member & SFMTA Announcements — 10 minutes
2. SFMTA Board Update — 10 minutes
3. SFMTA Budget Environment— 30 minutes
4. Project Cost Considerations— 20 minutes
5. Housing Update — 10 minutes
6. Community Engagement — 5 minutes
7. Public Comment — Members of the public who wish to participate in the meeting virtually will be placed on mute, regardless of joining via video or by phone, until the Public Comment section.



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Member and SFMTA Announcements

John Angelico, SFMTA



Announcements: Working Group

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

Announcements: SFMTA

Join us at an SFMTA Budget Open House. Learn more at [SFMTA.com/Budget](https://www.sfmta.com/Budget).

The Future of Muni is at Stake

Join us at an upcoming budget open house.
Learn about proposed changes to fares, fees and fines.



Saturday, March 7

11 AM – 1 PM

Rainbow Room,
SF LGBT Center

Participe en una reunión sobre el presupuesto de SFMTA y los posibles cambios en tarifas y multas. Más información en [SFMTA.com/Budget](https://www.sfmta.com/Budget)



Wednesday, March 11

5:30 – 7:30 PM

Richmond/Senator Milton
Marks Branch Library

歡迎參加我們即將舉辦的公開說明會，一起討論舊金山交通局 (SFMTA) 的預算，以及針對票價、費用和罰款的調整方案。更多信息，可以瀏覽 [SFMTA.com/Budget](https://www.sfmta.com/Budget)



Thursday, March 12

5:30 – 7:30 PM

Online

Samahan ninyo kami sa paparating na open house tungkol sa badyet ng SFMTA at mga iminungkahing pagbabago sa mga pamasaha at multa. Matuto nang higit pa sa [SFMTA.com/Budget](https://www.sfmta.com/Budget)

Two remaining



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SFMTA Board of Directors Meeting Update

Chris Lazaro, SFMTA
Wade Wietgreffe, SFMTA



SFMTA Board Approval

On March 3, 2026, the SFMTA Board of Directors approved the two Project Agreement legislation components:

- **3-3-26 MTAB Item 11A Potrero Yard Modernization Project - Bus Yard Agreement**
- **3-3-26 MTAB Item 11B Potrero Yard Modernization Project - Housing Agreement**
 - Amendment to item 11B was introduced by Vice Chair Cajina and approved by the Board:

WHEREAS, The FEIR studied in an expanded and modernized transit facility that would include residential uses above and adjacent to the transit facility as well as a Project Variant proposing to construct residential units next to the transit facility along Bryant Street and a paratransit facility above the transit facility. Ordinance No. 58-24, effective April 22, 2024, for allowed for 465 residential units above and next to the infrastructure for infrastructure facility or a paratransit facility above the Infrastructure Facility and a housing project with up to 103 residential units next to the Infrastructure Facility;

Community Question:

Housing Element and Individual Projects

- State law requires San Francisco to demonstrate adequate zoned capacity to meet its 2023–2030 [Regional Housing Needs Allocation \(RHNA\)](#) of approximately 82,000 units.
- The City added a 15% buffer, as part of the [Housing Element](#), that brings the total required capacity to approximately 94,000 units.
 - Accounts for site-specific variability and uncertainty around individual parcels
 - Addresses No Net Loss requirements
- **The change in the Potrero Yard design, which enables approximately 100 affordable units on Bryant Street, represents a very small fraction of the City's 15% buffer.**

For more information, please visit SFPlanning.org/HousingElement



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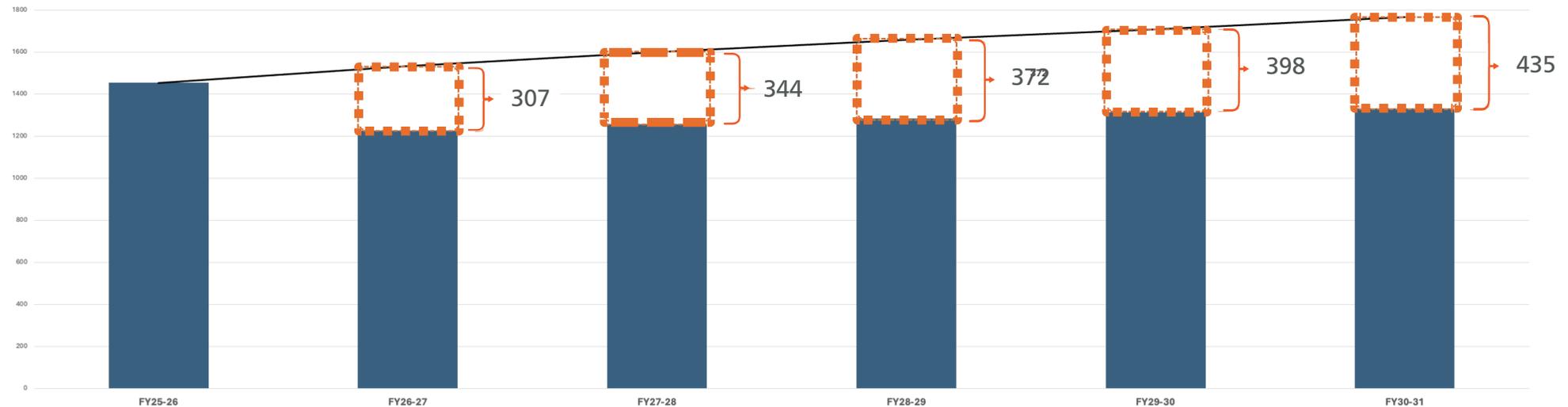
SFMTA Budget Environment

Bonnie Jean von Krogh, SFMTA



5-YEAR DEFICIT FORECAST

SFMTA’s budget plan aims to address the end of pandemic relief funding and the growing gap between revenues and expenditures.



	FY26-27 (\$M)	FY27-28 (\$M)	FY28-29 (\$M)	FY29-30 (\$M)	FY30-31 (\$M)
REVENUE	1,226	1,256	1,284	1,311	1,329
EXPENDITURE	1,533	1,600	1,656	1,708	1,764

POTENTIAL SOLUTIONS FOR THE BUDGET GAP

Regional Revenue Measure:

The Connect Bay Area Act allows San Francisco to pursue a one-cent sales tax increase to maintain Muni. If passed by voters, Muni will receive ~\$155M per year to address the structural deficit.

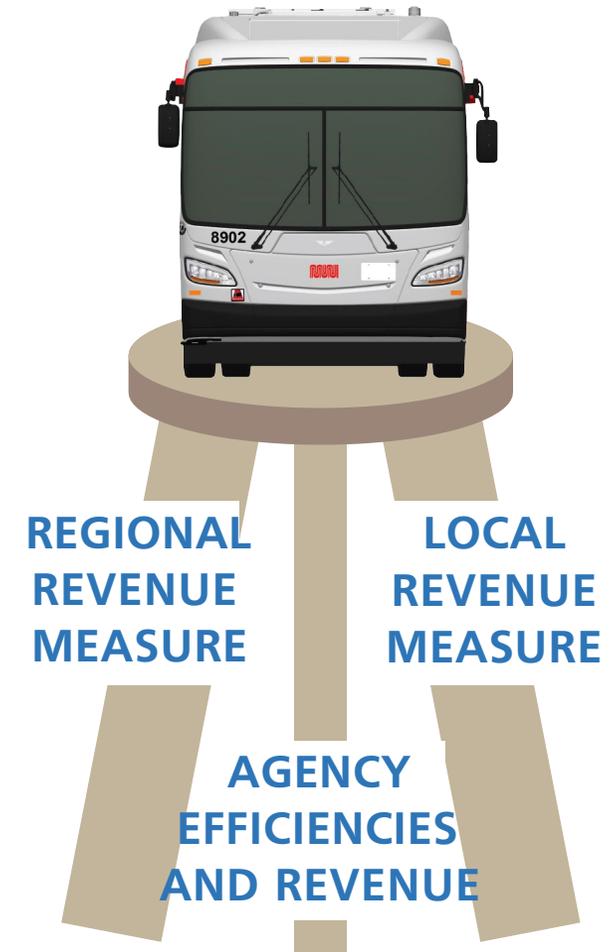
Local Revenue Measure:

As the regional measure will not fully address the structural deficit, a local parcel tax will further reduce the gap. If passed by voters, the Stronger Muni for All Measure will generate ~\$150M annually to reduce the deficit and ~\$10M to make marginal service quality improvements.

Agency Efficiencies and Revenue:

Building an efficiency culture and identifying new enterprise revenues in the out years will close the remaining structural deficit.

In the short-term, one-time sources are needed to close the budget deficit until regional and local revenue measures are implemented.



SFMTA BUDGET SCENARIO PLANNING IF BOTH INITIATIVES PASS

**Connect
Bay Area Act**

1% sales tax in San Francisco
~\$155M/year for Muni



**Local Revenue
Measure**

Square footage-based parcel tax
~\$150M/year for Muni



Muni Service Benefits	Agency Benefits
<ul style="list-style-type: none">• Maintain service levels• Targeted service increases that address crowding and pass-ups• Better positioned to respond to ridership growth	<ul style="list-style-type: none">• Stabilized workforce• Maintain focus on internal cost-cutting• More resilient budget outlook for unforeseen conditions

MUNI SERVICE OPTIONS FOR CUTTING COSTS WITHOUT NECESSARY FUNDING

These cuts would have citywide impacts:
Slower downtown recovery, increased traffic congestion, less access and fewer opportunities for people who rely on Muni, major systemwide crowding.



Cut up to 20 Muni routes

Corridors with multiple routes, downtown express, hilltop and neighborhood connections

\$70-150M



Double Wait Times

Metro train service, Rapid and Frequent routes

\$30-80M



End Regular Service at 9 p.m.

Limited Owl network only from 9 p.m. to 6 a.m.

\$30M



Reduce or Cut Historic Service

3 cable cars lines and F Market & Wharves streetcars

\$70-140M



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Project Cost Considerations

Chris Lazaro, SFMTA



Cuts Across Facility Portfolio

- Delivering the Potrero Yard Modernization Project is the **highest priority** for the SFMTA Facility program
- The Facilities Capital Improvement Program (CIP) revenues are down 44% from the last 5-year CIP
- Consequently, to deliver the Potrero Project, SFMTA staff took several measures:
 - 1) Reducing the revenue needs of anticipated CIP projects by reducing scope (Islais Creek/Woods BEB pilot project) and delaying projects (Kirkland Bus Division rehabilitation)
 - 2) Reducing the scope of the Potrero Project to focus on the core mission of the SFMTA and minimize out-year financial obligations by as much as possible

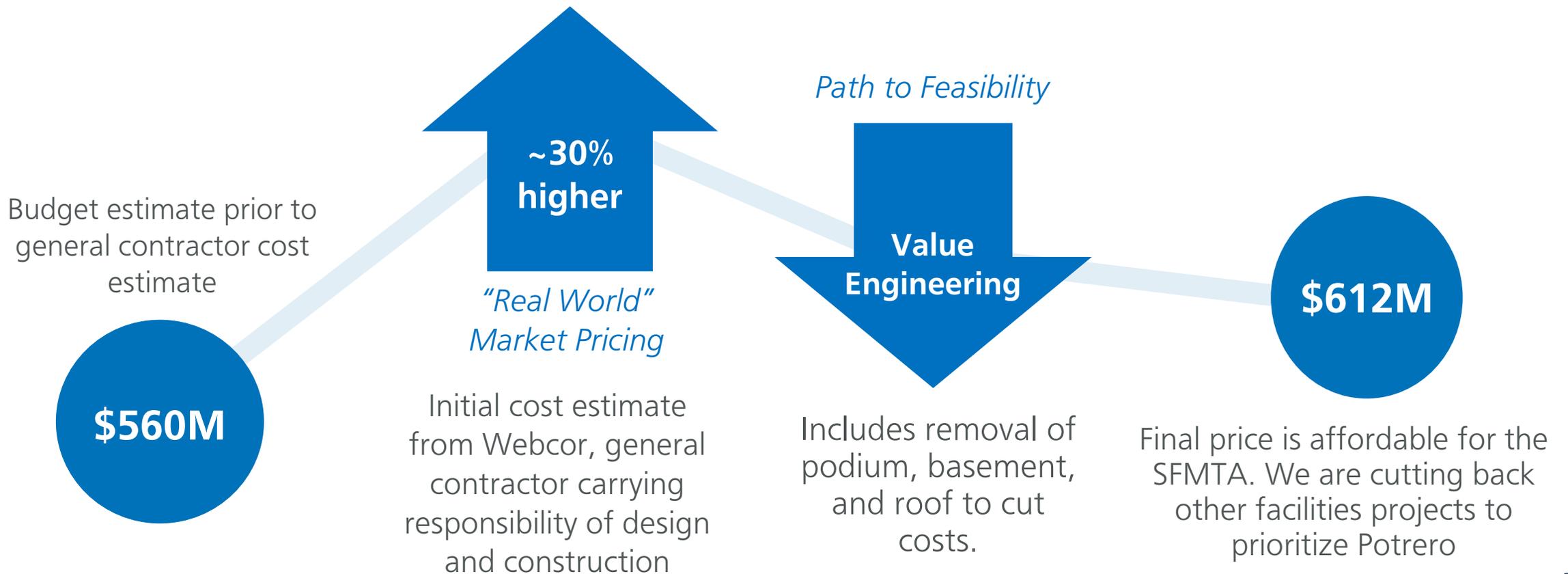


Project Design and Construction Cost

Initial Design-Build Pricing
August 2024

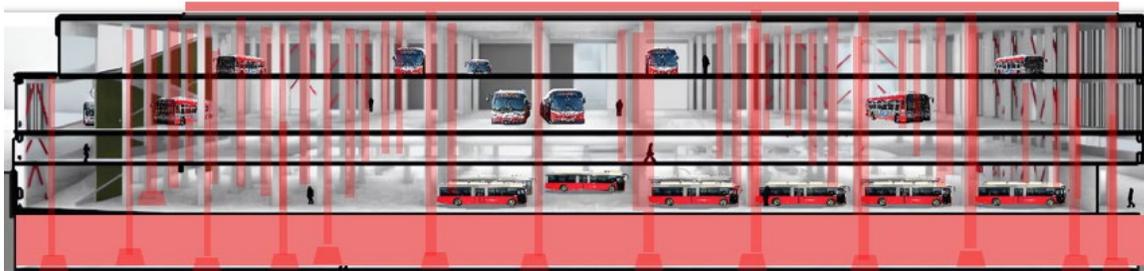
Negotiations Process
February 2025 – February 2026

Final Design-Build Price
February 2026



Impacts of Delay: Cost Increases

- Adding podium back now (Spring 2026) would require re-designing, re-bidding and repricing the project.
 - An updated price would need to include the cost of adding the podium, full-size basement, roof, etc. back into the project design



- This will cause pricing to escalate beyond the original cost estimate from Webcor. **A higher cost will push the project past affordability for the SFMTA, making it infeasible.**

Impacts of Delay: Bryant Street Housing

- Any delays to the Bus Facility would cause delays to Bryant Street Housing
- **Pushing past affordability means we lose the new bus yard *and* Bryant Street affordable housing**

Impacts of Delay: Transit and Safety

- **Obsolete Yard:** The yard remains obsolete now, with inefficiencies and space constraints originally developed to 1915 standards.
- **Seismic Risk:** The facility is at risk of partial or total collapse and major damage from a seismic event.



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Housing Updates

Chris Lazaro, SFMTA
Seth Furman, MEDA



SFMTA Board Enables Bryant Street Housing

17th Street and Bryant Street



- The final bus yard design enables the ability to build approximately **100 units of affordable housing** along Bryant Street (Studios – 3 bedrooms).
- The final project continues the long-term commitment to affordable housing.
- Construction is dependent on housing developer’s ability to secure funding. The SFMTA cannot develop housing.
- Housing project to include two community-serving retail spaces on Bryant Street.



Lease Development & Disposition Agreement

Overview

At its March 15 meeting, the SFMTA Board of Directors approved the **Lease Development & Disposition Agreement (LDDA)**.

The LDDA sets the terms for development of the housing and the form of the future Ground Lease, including:

- All homes must remain affordable to households earning up to 80% of Area Median Income
- Annual lease payments of \$15,000 over 75 years, plus residual rent (if any)
- SFMTA review of design to ensure compatibility with the bus yard
- Schedule of required milestones to achieve approval of the Ground Lease and Close of Escrow. Approvals must occur no later than two (2) years after substantial completion of the bus yard.

The future Bryant Street Ground Lease will be approved by the Board of Supervisors when developer secures funds.

Bryant Street Housing Considerations

The Bryant Street Housing project will include about 100 units of housing. After the Project Agreement is approved, the MY-T design team can advance the housing design to maximize the number of units on Bryant Street. Key considerations include:

- Unit mix to maximize competitiveness for funding applications (for example, at least 25% of units must be 2BRs and 25% must be 3BRs for family housing)
- Building within the limits of the project's Entitlements
- Financial sustainability of building a tall, narrow building (i.e. cost of mid-rise vs high-rise)
- Coordination with the Bus Yard construction and operations

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Bryant Street Housing Next Steps

The following steps are needed to advance Bryant Street Housing after Project Agreement is approved:

Milestone	Estimated Date	Details
Revise 100% Schematic Design	Summer 2026	Changes on the Bus Yard design (i.e. basement) affect the current design for Bryant Street Housing. For example, MY-T will have to move utility tie-ins to the ground level.
State AHSC Application	Spring 2027	Based on the 2026 HCD schedule, this application is likely to be released in March 2027 and due 60-days later. Awards to be announced in late Fall 2027. The team might need to apply to multiple rounds of funding due to competitiveness for funding across the state.
Tax Credit Application	Spring 2028	MY-T cannot apply for tax credits until after AHSC is awarded due to tax credits needing to be the final set of funds secured. Allocations to be announced in late Summer 2028.
Anticipated Financial Close	Late 2028	Assuming all funding secured at each respective application's initial funding round.
Earliest Possible Construction Start	Early 2029	Housing site to be cleared from any activity by Bus Yard general contractor.
Anticipated Construction Completion	Early 2031	Residential lease-up would be done through the City's DAHLIA program and begin a few months prior to construction completion. New residents would be able to begin moving in around mid-2031. Commercial tenants will be secured months before construction completion.





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Legislative Update

Chris Lazaro, SFMTA



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Legislative Schedule

The Bus Yard Facility Project Agreement requires approvals from both the SFMTA Board of Directors and the San Francisco Board of Supervisors. The Bryant Street Housing Lease Development & Disposition Agreement (LDDA) required approval from the SFMTA Board of Directors.

Agency	Anticipated Date	Result
SF Board of Supervisors	February 24, 2026	Introduced legislation of Project Agreement
SFMTA Board	March 3, 2026	Received approval of Project Agreement and Lease Development & Disposition Agreement
SF BOS Budget & Finance Subcommittee	March 18, 2026 *	Seeking recommendation of Project Agreement
SF Board of Supervisors	March 24, 2026	Seeking approval of Project Agreement
Mayor Signature ("Commercial Close")	Early April 2026	Seeking approval of Project Agreement
Financial Close	Mid-April 2026	All project financing secured

*Date change, was previously scheduled for March 11, 2026





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Community Engagement Update

Chris Lazaro, SFMTA
John Angelico, SFMTA



Community Engagement Through Construction Period

An approved Project Agreement includes requirements for PNC to communicate public information.

- Public communication materials provided in both English and Spanish
- Facilitate Potrero Yard Neighborhood Working Group
- Provide project tours, as feasible and safe
- Maintain a hotline to be answered during construction hours
- Designate an on-site Construction Noise Manager for project

Next Working Group Meeting

The next Potrero Yard Neighborhood Working Group meeting is scheduled for **Tuesday, April 14, 2026.**





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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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Sign Up for Project Updates
SFMTA.com/PotreroYard

