2015-2019 MARKET OCTAVIA MONITORING REPORT
KEY TRENDS AND TAKEAWAYS

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MARKET & OCTAVIA MONITORING REPORT

- When the Market & Octavia Area Plan was adopted in 2008, a new requirement was established to track and monitor key components of the Area Plan.
- The Monitoring Report is updated every five years by the Planning Department, with input and data from relevant city agencies.
- The Monitoring Report covers four content areas – Housing Development, Commercial Development, Transportation, and Project Implementation (Impact Fee Revenue + Historic Preservation).
- Publication of this report has been delayed due to staffing capacity related to the COVID-19 pandemic.

Photo: SF Planning

BIG PICTURE TAKEAWAYS

- Report captures major upswing in impact fee revenue, commercial space, and housing production after the market fully came out of the 2008 financial crisis and recession.
  - Previous report, covered 2010-2014, captured the lingering impacts and beginning of the recovery from the recession
- Reporting period ends shortly before COVID pandemic and ensuing economic shutdown.
  - Impact fee revenue may not reach the projections included in the previous IPIC reports.
  - Commercial and residential development currently in the pipeline may be delayed or not built within the projected timeline.

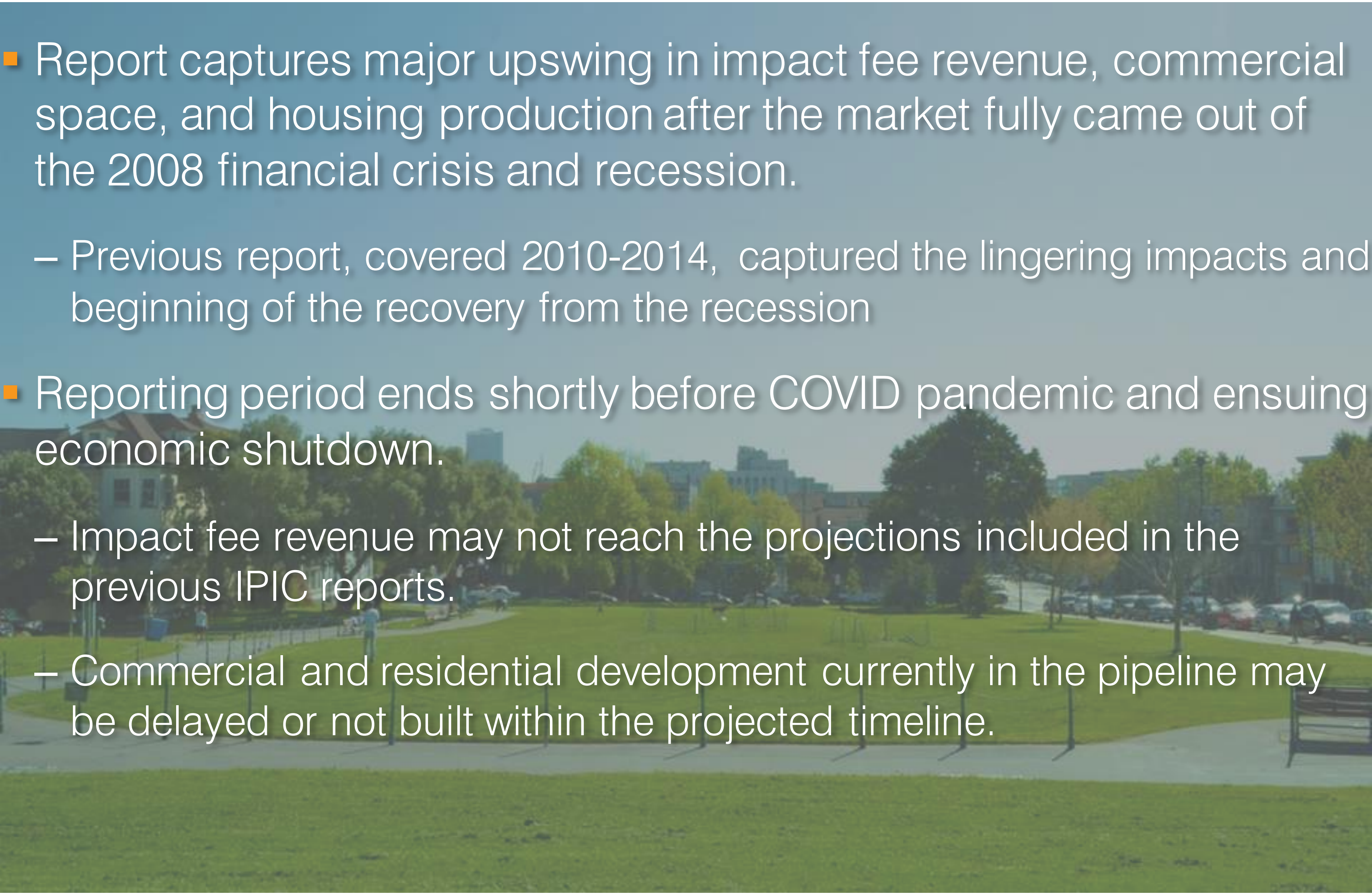


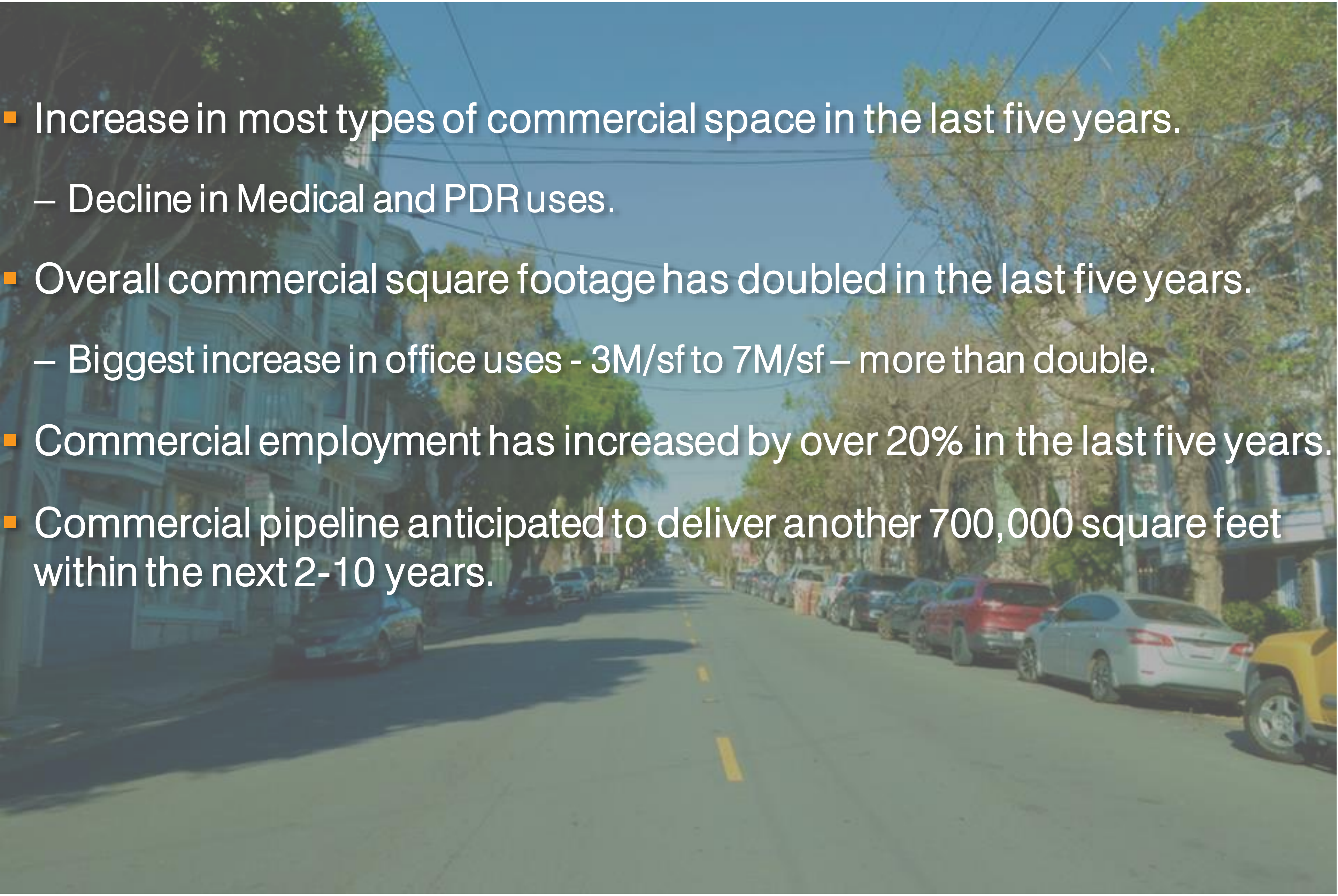
Photo: SF Planning

HOUSING

- 1,900 housing units were added in the Plan Area – more than double the units added in the previous five years.
  - – 515 units on Central Freeway Parcels.
- 400 affordable units were added in the Plan Area - roughly the same number as the previous five years.
  - – 190 of these affordable units were built on the Central Freeway parcels
- Residential pipeline:
  - – 3,600 units (market rate and affordable) could be built in the next 2-10 years.
- Evictions nearly doubled – from 262 to 422 – in the last five years.
  - – Citywide evictions have been relatively flat.

Photo: SF Planning

COMMERCIAL



- Increase in most types of commercial space in the last five years.
  - Decline in Medical and PDR uses.
- Overall commercial square footage has doubled in the last five years.
  - Biggest increase in office uses - 3M/sf to 7M/sf – more than double.
- Commercial employment has increased by over 20% in the last five years.
- Commercial pipeline anticipated to deliver another 700,000 square feet within the next 2-10 years.

Photo: SF Planning

TRANSPORTATION

- Compared to the last five years, fewer residents drive to work (27% vs 20%), and more walk to work(13% vs 19%).
- Despite adding more housing units, fewer parking spaces were added in the last five years (245 to 189).

TABLE 3.1

Commute Mode Split, Market & Octavia and San Francisco, 2018

Transport Mode	Market Octavia		San Francisco		Market Octavia as % of San Francisco
	No. of Commuters	%	No. of Commuters	%	
Car	7,696	20%	202,752	40%	4%
Drove Alone	6,597	17%	165,934	33%	4%
Carpooled	1,099	3%	36,818	7%	3%
Transit	17,086	43%	172,940	34%	10%
Bike	2,869	7%	20,174	4%	14%
Walk	7,463	19%	57,946	11%	13%
Other	1,350	3%	17,653	4%	8%
Worked at Home	2,961	8%	33,288	7%	9%
TOTAL	39,420	100%	504,358	100%	8%

TABLE 3.3

Parking Spaces in Entitled Residential Developments, Market & Octavia, 2015-2019

Year	No of Projects	No of Housing Units	No of Parking Spaces
2015	3	47	-7
2016	11	675	171
2017	2	72	17
2018	2	97	24
2019	3	28	-16
Totals	21	919	189

Photo: SF Planning

IMPACT FEE REVENUE

- Collected $20M in impact fees, more than double the previous five years.
- Projected to collect an additional $80M in the next five years (Pre-Covid estimate).
- Highlights of projects funded by impact fees:
  - Street and Transit:
    - Van Ness BRT, Page Street Neighborway, Linden Living Alley, Haight Street contra-flow transit lane, and Better Market Street
  - Parks and Open Spaces:
    - Hayward Park, Buchannan Mall
  - Plazas funded by in-kind agreements:
    - 55 Laguna, 2001 Market, 3O Otis

Photo: SF Planning

HISTORIC PRESERVATION

- Established two new Historic Districts in Market Octavia Area during reporting period
  - Duboce Park Landmark District
  - Market Street Masonry Landmark District

Photo: SF Planning

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HOUSING

TABLE 1.1

New Housing Production Trends, Market & Octavia, 2015-2019

Year	Units Completed from New Construction	Units Demolished	Net Units Gained or Lost from Alterations	Net Change in Number of Units
2015	79	0	406	485
2016	570	8	51	613
2017	156	0	47	203
2018	29	0	19	48
2019	587	0	18	605
TOTAL	1,421	8	541	1,954

Source: San Francisco Planning

TABLE 1.4

Affordable Housing Unit Production, Market & Octavia, 2015-2019

Year	Public Subsidy	Inclusionary	Total
2015	0	56	56
2016	0	61	61
2017	39	18	57
2018	0	0	0
2019	185	47	232
TOTAL	224	182	406

Source: San Francisco Planning

TABLE 1.3

Housing Development Pipeline, Market & Octavia and San Francisco, Q4 2019

Non-Residential Land Uses	Market Octavia				San Francisco				Market Octavia as % of San Francisco	
	No. of Units	*Unit %*	*No. of Projects*	*Project %*	*No. of Units*	*Unit %*	*No. of Projects*	*Project %*	*Units*	*Projects*
Construction	1,292	35%	10	27%	10,893	13%	413	18%	12%	2%
Planning Entitled	623	17%	7	19%	49,129	58%	648	29%	1%	1%
Planning Approved	298	8%	1	3%	36,313	43%	62	3%	1%	2%
Building Permit Filed	309	8%	2	5%	4,026	5%	70	3%	8%	3%
Building Permit Approved/ Issued/ Reinstated	16	0%	4	11%	8,790	10%	516	23%	0%	1%
Under Review	1,726	47%	20	54%	24,359	29%	1,178	53%	7%	2%
Planning Filed	1,323	36%	8	22%	16,828	20%	272	12%	8%	3%
Building Permit Filed	403	11%	12	32%	7,531	9%	906	40%	5%	1%
TOTAL	3,641	100%	37	100%	84,381	100%	2,239	100%	6%	2%

Source: San Francisco Planning

TABLE 1.9

Evictions, Market & Octavia, 2015–2019

Year	Market Octavia		
	Owner Move In	*Ellis Act Withdrawal*	*Other*
2015	***12***	***2***	***142***
2016	***8***	***1***	***90***
2017	***5***	***3***	***82***
2018	***3***	***0***	***41***
2019	***1***	***0***	***67***
TOTAL	***29***	***6***	***422***

Source: San Francisco Rent Board

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TABLE 2.1

Commercial and Other Non-Residential Building Space, Market & Octavia and San Francisco, 2019

Non-Residential Land Uses	Market Octavia		San Francisco		Market Octavia as % of San Francisco
	Area (Sq. Ft.)	*Area (Sq. Ft.)*	*Area (Sq. Ft.)*	*Area (Sq. Ft.)*	
Cultural, Institutional, Educational	*2,017,644*	*17%*	*39,724,401*	*13%*	*5%*
Medical	*633,171*	*5%*	*21,523,295*	*7%*	*3%*
Office	*7,022,884*	*59%*	*169,992,715*	*55%*	*4%*
PDR/ Light Industrial	*312,435*	*3%*	*18,551,374*	*6%*	*2%*
Retail/ Entertainment	*1,888,516*	*16%*	*53,827,547*	*17%*	*4%*
Visitor/ Lodging	*120,108*	*1%*	*8,112,841*	*13%*	*1%*
TOTAL	*11,994,758*	*100%*	*311,732,172*	*100%*	*4%*

Source: San Francisco Planning

TABLE 2.4

New Commercial and Other Non-Residential Development Pipeline, Market & Octavia, Q4 2019

Development Status	Cultural, Institutional, Educational	Medical	Office	PDR/ Light Industrial	Retail	Visitor	Total Commercial Sq. Ft.
Construction	*14,079*	–	*526,517*	*-100,620*	*50,007*	–	*489,983*
Planning Entitled	–	–	*-30,929*	*-8,224*	*18,109*	–	*-21,044*
Planning Approved	–	–	*27,296*	–	*9,275*	–	*36,571*
Building Permit Filed	–	–	*-48,225*	–	*222*	–	*-48,003*
Building Permit Approved/ Issued/ Reinstated	–	–	*-10,000*	*-8,224*	*8,612*	–	*-9,612*
Under Review	*375,500*	–	*-45,890*	*-5,212*	*-69,760*	–	*254,638*
Planning Filed	*375,500*	–		–	*-71,170*	–	*304,380*
Building Permit Filed	–	–	*-45,890*	*-5,212*	*1,360*	–	*-49,742*
TOTAL	*389,579*	–	*449,698*	*-114,056*	*-1,644*	–	*723,577*

Source: San Francisco Planning

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TABLE 2.6

Employment, Market & Octavia and San Francisco, Q2 2019

Non-Residential Land Uses	Market Octavia				San Francisco				Market Octavia as % of San Francisco	
	Establishments		Jobs		Establishments		Jobs			
	Number	%	Number	%	Number	%	Number	%	Est.	Jobs
Cultural, Educational, Institution	84	5%	2,862	7%	2,265	4%	71,050	9%	4%	4%
Medical	591	32%	1,583	4%	22,638	37%	72,219	10%	3%	2%
Office	643	35%	18,679	45%	18,239	30%	342,827	45%	4%	5%
PDR / Light Industrial	123	7%	11,783	28%	6,042	10%	113,612	15%	2%	10%
Retail/ Entertainment	347	19%	6,825	16%	8,957	15%	135,917	18%	4%	5%
Visitor / Lodging	13	1%	114	0%	330	1%	19,791	3%	4%	1%
Other	55	3%	65	0%	3,039	5%	3,351	0%	2%	2%
TOTAL	1,856	100%	41,911	100%	61,510	100%	758,768	100%	3%	6%

Source: San Francisco Planning, California Economic Development Department Q2 2019

IMPACT FEE REVENUE

TABLE 4.1

Market & Octavia Fees Program Collection, FY 14-15 to FY 18-19

Fiscal Year	Affordable Housing Fee*	Community Infrastructure Impact Fee
FY2014-2015	*$638,558*	*$3,017,000*
FY2015-2016	*$4,641,173*	*$3,079,000*
FY2016-2017	*$3,026,905*	*$2,687,000*
FY2017-2018	*$11,898,032*	*$11,397,000*
FY2018-2019	*$1,743,664*	*$1,029,000*
TOTALS	*$21,948,333*	*$21,209,000*

*Includes Market & Octavia Affordable Housing Fee and Van Ness & Market Downtown Residential Special Use District FAR Bonus

Source: SF Planning

TABLE 4.2

Projected Five-Year Fee Revenue, Market & Octavia, FY 20-24

Improvement Type	Revenue	% Revenue
Market and Octavia Development Impact Fees		
Transportation	*$17,138,000*	*21%*
Complete Streets	*$34,901,000*	*42%*
Open Space	*$16,208,000*	*20%*
Child Care	*$6,017,000*	*7%*
Program Administration	*$3,910,000*	*5%*
Total Revenue	*$78,174,000*	*95%*
Non-Impact Fee Sources		
Central Freeway Parcel Sales - Ancillary Projects	*$4,500,000**	*5%*
TOTALS	*$82,674,000*	*100%*

* If the City decides that these parcels should be developed with higher levels of affordable housing than are required by code, the revenue generated by their sale will be significantly reduced and might not be available as additional cash for the eligible uses of funds from the Octavia Boulevard Special Fund

Source: SF Planning, SF Office of Economic and Workforce Development