



NEW PLANNING CODE SUMMARY

Planning Code - Waiving Certain Development Impact Fees in the Market and Octavia Area Plan

<i>Amended Sections:</i>	401, 406, 416, 421, 424, 425, 249.33, 341.5
<i>Case Number:</i>	2025-005224PCA
<i>Board File/Enactment</i>	250680 / 188-25
<i>Initiated by:</i>	Mayor Lurie; Supervisors Dorsey, Mahmood
<i>Effective Date:</i>	November 5, 2025

The proposed Ordinance would amend the Planning Code to waive development impact fees in the Market and Octavia Area Plan, amend some provisions in the Van Ness & Market Residential Special Use District (SUD) and add a sunset clause to the Market and Octavia Community Advisory Committee (CAC).

The Way It Was:

1. The City charges development impact fees on residential and non-residential projects for various public purposes, including fees for transit, streets, parks, childcare and art. Development impact fees are set forth in Article 4 of the Planning Code. Some fees are applied citywide, while others apply only to specific geographic areas.
2. In the Market and Octavia Plan area several geographic based impact fees apply. All projects in the plan area are subject to the Market and Octavia Area Plan and Upper Market NCT Affordable Housing Fee (Planning Code Section 416) and Market and Octavia Community Improvements Fund (421). Projects that are also within the Van Ness and Market Special Use District are subject to three additional fees including the Van Ness & Market Affordable Housing Fee (Planning Code Section 424), Van Ness & Market Neighborhood Infrastructure Fee (Planning Code Section 424) and Van Ness & Market Community Facilities Fee (Planning Code Section 425).
3. In the Van Ness and Market Special Use District at least 3 sq/ft of residential uses is required for every 1 sq/ft of non-residential use.
4. In the Van Ness and Market Special Use District the maximum floor area ratio (FAR) is 9:1. However, projects can exceed this FAR but are required to pay the Van Ness and Market Neighborhood Infrastructure Fee (Planning Code Section 424).
5. In the Van Ness and Market Special Use District retail uses require conditional use if the size is over

6,000 sq/ft.

6. In the Van Ness and Market Special Use District formula retail uses require a conditional use authorization.
7. The Market and Octavia Community Advisory Body Committee does not have a sunset date.

The Way It Is Now:

1. Area plan impact fees would be waived for development projects located within the Market and Octavia Area Plan that have received Final Approval prior to January 1, 2026, and have not been issued a First Construction Document. Citywide impact fees would remain in place.
2. In the Market and Octavia Plan area geographic based impact fees would not apply for pipeline projects. This includes the Market and Octavia Area Plan and Upper Market NCT Affordable Housing Fee (Planning Code Section 416) and Market and Octavia Community Improvements Fund (421), Van Ness & Market Affordable Housing Fee (Planning Code Section 424), Van Ness & Market Neighborhood Infrastructure Fee (Planning Code Section 424), and Van Ness & Market Community Facilities Fee (Planning Code Section 425). The fees would be waived for pipeline projects that were approved before Jan 1, 2026 but have not yet pulled a First Construction Document; for pipeline projects that have pulled a FCD but have not yet paid deferred fees due at time of occupancy; and for future projects approved after January 1, 2026.
3. In the Van Ness and Market Special Use District there would not be a requirement for a ratio of non-residential to residential. A project could be residential or non-residential or a mix.
4. In the Van Ness and Market Special Use District the floor area ratio (FAR) for non-residential uses would be 9:1 and there would be no FAR limit for residential uses.
5. In the Van Ness and Market Special Use District retail uses would not require conditional use if the size is over 6,000 sq/ft. Retail use size controls in the rest of the plan area would not change.
6. In the Van Ness and Market Special Use District formula retail uses would not require a conditional use authorization. Formula retail controls in the rest of the plan area would not change.
7. The Market and Octavia Community Committee would sunset six months after the effective date of the ordinance.

Link to Signed Legislation:

<https://sfgov.legistar.com/View.ashx?M=F&ID=14842264&GUID=65BBA047-4156-4170-8490-FFFC1C37989A>