

File No. 230764 Committee Item No. 5
Board Item No. 7

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date July 24, 2023

Board of Supervisors Meeting Date September 5, 2023

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
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Completed by: Erica Major Date July 20, 2023

Completed by: Erica Major Date July 25, 2023

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

LAND USE AND TRANSPORTATION COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: July 25, 2023

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, July 25, 2023

The following file was forwarded as a **COMMITTEE REPORT** to the Board meeting, Tuesday, July 25, 2023. This item was acted upon at the Committee Meeting on Monday, July 24, 2023, at 1:30 p.m., by the votes indicated below.

Item No. 66 File No. 230764

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

RECOMMENDED AS A COMMITTEE REPORT

Vote:

Supervisor Myrna Melgar - Aye

Supervisor Dean Preston - Aye

Supervisor Aaron Peskin - Aye

cc: Board of Supervisors
Angela Calvillo, Clerk of the Board
Alisa Somera, Legislative Deputy
Anne Pearson, Deputy City Attorney

1 [Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers;
2 Adoption of Nexus Study]

3 **Ordinance amending the Planning Code to 1) modify the annual indexing of certain**
4 **development impact fees, with the exception of inclusionary housing fees; 2) provide**
5 **that the type and rates of applicable development impact fees, with the exception of**
6 **inclusionary housing fees, shall be determined at the time of project approval; 3)**
7 **exempt eligible development projects in PDR (Production, Distribution, and Repair)**
8 **Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning**
9 **Districts from all development impact fees for a three-year period; 4) allow payment of**
10 **development impact fees, with the exception of fees deposited in the Citywide**
11 **Affordable Housing Fund, to be deferred until issuance of the first certificate of**
12 **occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting**
13 **existing development impact fees for recreation and open space, childcare facilities,**
14 **complete streets, and transit infrastructure and making conforming revisions to Article**
15 **4 of the Planning Code; amending the Building Code to allow payment of development**
16 **impact fees, with the exception of fees deposited in the Citywide Affordable Housing**
17 **Fund, to be deferred until issuance of the first certificate of occupancy and repealing**
18 **the fee deferral surcharge; affirming the Planning Department’s determination under**
19 **the California Environmental Quality Act; making findings of consistency with the**
20 **General Plan, and the eight priority policies of Planning Code, Section 101.1; and**
21 **making findings of public necessity, convenience, and welfare pursuant to Planning**
22 **Code, Section 302.**

23 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
24 **Additions to Codes** are in *single-underline italics Times New Roman font*.
25 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.

1 **Asterisks (* * * *)** indicate the omission of unchanged Code
2 subsections or parts of tables.

3 Be it ordained by the People of the City and County of San Francisco:

4
5 Section 1. Land Use and Environmental Findings.

6 (a) The Planning Department has determined that the actions contemplated in this
7 ordinance comply with the California Environmental Quality Act (California Public Resources
8 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
9 Supervisors in File No. 230764 and is incorporated herein by reference. The Board affirms
10 this determination.

11 (b) On July 13, 2023, the Planning Commission, in Resolution No. 21354, adopted
12 findings that the actions contemplated in this ordinance are consistent, on balance, with the
13 City's General Plan and eight priority policies of Planning Code Section 101.1. The Board
14 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
15 Board of Supervisors in File No. 230764, and is incorporated herein by reference.

16 (c) Pursuant to Planning Code Section 302, the Board finds that this Planning Code
17 amendment will serve the public necessity, convenience, and welfare for the reasons set forth
18 in Planning Commission Resolution No. 21354, and the Board incorporates such reasons
19 herein by reference. A copy of said resolution is on file with the Clerk of the Board of
20 Supervisors in File No. 230764.

21
22 Section 2. Background and Findings.

23 (a) Article 4 of the Planning Code contains many of the City's development impact
24 fees. Under Planning Code Section 409, the Controller is charged with reviewing
25 development impact fees and adjusting the fees annually on January 1. The purpose of the

1 annual adjustment is to “establish a reasonable estimate of construction cost inflation for the
2 next calendar year for a mix of public infrastructure and facilities in San Francisco.”

3 (b) Based on the adjustment factor, the Planning Department and the Development
4 Fee Collection Unit at the Department of Building Inspection (DBI) provide notice of the
5 annual adjustments. The Planning Department calculates the type and amount of any
6 applicable development impact fees no later than the issuance of the building or site permit for
7 a development project. The Planning Department sends written or electronic notification to
8 the Development Fee Collection Unit at DBI.

9 (c) The Development Fee Collection Unit collects payment of all impact fees, which
10 are due and payable no later than issuance of the “first construction document” as defined in
11 Section 107A.13.1 of the Building Code.

12 (d) For years, the City has relied upon the Annual Infrastructure Construction Cost
13 Inflation Estimate (“AICCIE”) as the index for annual development fee adjustments, with the
14 exception of the Inclusionary Housing Fee that is subject to adjustment in Planning Code
15 Section 415 *et seq.* The City uses the AICCIE to forecast construction costs for the City’s
16 two-year capital budget and the 10-year capital plan. Developed by the Office of the City
17 Administrator’s Capital Planning Group, the AICCIE relies on past construction cost inflation
18 data, market trends, and a variety of national, state, and local commercial and institutional
19 construction cost inflation indices. Since 2010, the AICCIE has fluctuated between 3 percent
20 and 6 percent annually.

21 (e) The AICCIE is designed to ensure that the City budgets sufficient funding for
22 capital projects many years into the future. Because of this forward-looking budgeting
23 function, the AICCIE does not always reflect near-term trends in cost escalation. This can
24 create barriers to the economic feasibility of private development projects during economic
25 downturns. Additionally, the unpredictability of variable impact fee escalation can discourage

1 development and reduce the likelihood that the City will achieve key policy goals, like the
2 production of housing, growing the tax base, and creating jobs.

3 (f) It is reasonable to consider alternative indexing options. The Board finds that a 2
4 percent escalation rate would provide certainty and predictability for all parties involved in the
5 development impact fee process, including developers, City staff collecting fees, and City staff
6 budgeting and spending the fee revenue. Though the 2 percent escalation rate is lower than
7 AICCIE rates over the last decade, this flat rate will enable the fees to escalate along with
8 near term construction cost increases, while still providing predictability to third parties.

9 (g) To provide further certainty to project sponsors, it is reasonable to calculate the
10 types of applicable impact fees and the rates of those fees at the time the Planning
11 Commission or Zoning Administrator approves a development application, or for projects that
12 do not require such an approval, at the time the City issues the building permit. In addition, it
13 is reasonable to not escalate those fees between the time they are calculated and the time the
14 project sponsor pays the fees, which is most commonly just prior to the issuance of the first
15 construction document.

16 (h) While it is reasonable to provide certainty in the calculation of fees at the time of
17 project approval or building permit issuance, and not escalate the fees after they are
18 calculated, in some circumstances it may be appropriate to revisit the fee calculation,
19 especially in instances of prolonged delay or major revisions to a project. The Board finds
20 that it is reasonable to require recalculation of fees when a previously approved project is
21 modified, extended, or renewed.

22 (i) This ordinance does not modify any aspect of the Inclusionary Affordable Housing
23 Fee, set forth in Planning Code section 415 *et seq.*

24 (j) Economic cycles create volatility in the building and construction industries,
25 negatively impacting the availability of financing and the viability of a range of development

1 projects. In addition to typical economic volatility, rising interest rates and high construction
2 costs have complicated the City's financial recovery from the COVID-19 pandemic. Currently,
3 the Development Fee Collection Unit requires payment of any applicable development impact
4 fees prior to the issuance of the first construction document. By giving project sponsors the
5 option to defer payment of impact fees, the City will help mitigate the financial hardships
6 caused by economic cycles generally, in addition to current market conditions. The Board
7 finds that allowing developers the option to defer payment of development impact fees to a
8 time no later than the first certificate of occupancy, as that term is defined in Building Code
9 107A.13.1, is reasonable to allow project sponsors to obtain financing for development
10 projects that would otherwise be unable to proceed under adverse economic conditions.

11 (k) Rising interest rates and high construction costs have created challenges for
12 previously-approved projects to secure a complete financing package and initiate
13 construction. These adverse economic conditions are impacting PDR (Production,
14 Distribution, and Repair) and Retail projects in the PDR Districts, and hotel, restaurant,
15 entertainment, and outdoor activity projects in the C-2 and C-3 Districts, and delaying the job
16 opportunities and other community benefits associated with these developments. Waiving
17 development fees for these types of projects will allow those developments to proceed; such
18 short-term waivers will economically stimulate similar projects in the upcoming three-year
19 period. The Board finds that a limited and short-term fee waiver is reasonable to enable these
20 projects to proceed to construction and incentivize similar proposals.

21 (l) Pursuant to Planning Code Section 410, the Planning Department, the Office of
22 Resilience and Capital Planning, and the City Attorney's Office retained Hatch Consulting to
23 update the nexus analysis and level of service analysis for various existing development
24 impact fees. These studies were conducted prior to January 1, 2022, analyze the impacts to
25 public facilities created by new development, and calculate the nexus between the new

1 development and the need for new public facilities. The nexus studies calculate the potential
2 fees on a square footage basis. Consistent with the California Mitigation Fee Act,
3 Government Code Section 66000 *et seq.*, the Board adopts the San Francisco Citywide
4 Nexus Analysis prepared by Hatch Associates Consultants, Inc., dated December 2021, and
5 the San Francisco Infrastructure Level of Service Analysis prepared by Hatch Associates
6 Consultants, Inc., dated December 2021, both of which are on file with the Clerk of the Board
7 of Supervisors in File No. 150149.

8 (m) Additionally, on May 9, 2023 the Board adopted the Capital Plan Update for Fiscal
9 Years 2024-2033, on file with the Clerk of the Board of Supervisors in File No. 230265, which
10 details the City’s capital improvement plan for the next decade. The Board incorporates this
11 plan by reference.

12 (n) This ordinance does not establish, increase, or impose a fee within the meaning of
13 Government Code Section 66001(a).

14 (o) On July 19, 2023, at a duly noticed public hearing, the Building Inspection
15 Commission considered this ordinance in accordance with Charter Section D3.750-5 and
16 Building Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building
17 Inspection Commission regarding the Commission’s recommendation is on file with the Clerk
18 of the Board of Supervisors in File No. 230764.

19 (p) No local findings are required under California Health and Safety Code Section
20 17958.7 because the amendments to the Building Code contained in this ordinance do not
21 regulate materials or manner of construction or repair, and instead relate in their entirety to
22 administrative procedures for implementing the code, which are expressly excluded from the
23 definition of a “building standard” by California Health and Safety Code Section 18909(c).

1 Section 3. Article 4 of the Planning Code is hereby amended by revising Sections 401,
2 402, 403, 406, and 409, to read as follows:

3
4 **SEC. 401. DEFINITIONS.**

5 * * * *

6 **F**

7 "Final Approval." For the purposes of this Section shall mean 1) approval of a project's first
8 Development Application, unless such approval is appealed; or 2) if a project only requires a building
9 permit, issuance of the first site or building permit, unless such permit is appealed; or 3) if the first
10 Development Application or first site or building permit is appealed, then the final decision upholding
11 the Development Application, or first site or building permit, on the appeal by the relevant City Board
12 or Commission.

13 "First Certificate of Occupancy." Either a temporary Certificate of Occupancy or a
14 Certificate of Final Completion and Occupancy as defined in San Francisco Building Code
15 Section 109A, whichever is issued first.

16 * * * *

17
18 **SEC. 402. PROCEDURE FOR PAYMENT AND COLLECTION OF DEVELOPMENT**
19 **FEES.**

20 (a) **Collection by the Development Fee Collection Unit.** Except as otherwise
21 authorized in Section 411.9, all development impact and in-lieu fees authorized by this Code
22 shall be collected by the Development Fee Collection Unit at DBI in accordance with Section
23 107A.13 of the San Francisco Building Code.

24 (b) **Required Department Notice to Development Fee Collection Unit.** ~~Prior to~~
25 ~~Issuance of Building or Site Permit;~~ **Request to Record Notice of Fee.**

1 (1) **Required Notice.** When the Planning Department determines that a
2 development project is subject to one or more development fees or development impact
3 requirements *as set forth in Section 402(e), but in any case no later than prior to issuance of the*
4 *building or site permit for a development project,* the Department shall send written or electronic
5 notification to the Development Fee Collection Unit at DBI, and also to MOH, MTA or other
6 applicable agency that administers an applicable development fee or development impact
7 requirement, that:

8 (i) identifies the development project,

9 (ii) lists which specific development fees and/or development impact
10 requirements are applicable and the legal authorization for their application,

11 (iii) specifies the dollar amount of the development fee or fees that the
12 Department calculates is owed to the City or that the project sponsor has elected to satisfy a
13 development impact requirement through the provision of physical or "in-kind" improvements,
14 and

15 (iv) lists the name and contact information for the staff person at each agency or
16 department responsible for calculating the development fee or monitoring compliance with the
17 development impact requirement for physical or in-kind improvements.

18 (2) **Amended Notices.** The Department shall send an amended notice to the
19 Development Fee Collection Unit, and also to any department or agency that received the
20 initial notice, if at any time subsequent to its initial notice:

21 (i) any of the information required by subsection (1) above is changed or
22 modified, or

23 (ii) the development project is modified by the Department or Commission
24 during its review of the project and the modifications change the dollar amount of the
25 development fee or the scope of any development impact requirement.

1 **(3) Optional Recordation of Notice of Special Restrictions Prior to Issuance**

2 **of Building or Site Permit.** Prior to issuance of a building or site permit for a development
3 project subject to a development fee or development impact requirement, the Department
4 may request the Project Sponsor to record a notice with the County Recorder that a
5 development project is subject to a development fee or development impact requirement. The
6 County Recorder shall serve or mail a copy of such notice to the persons liable for payment of
7 the fee or satisfaction of the requirement and the owners of the real property described in the
8 notice. The notice shall include:

9 (i) a description of the real property subject to the development fee or
10 development impact requirement,

11 (ii) a statement that the development project is subject to the imposition of the
12 development fee or development impact requirement, and

13 (iii) a statement that the dollar amount of the fee or the specific development
14 impact requirement to which the project is subject has been determined under Article 4 of this
15 Code and citing the applicable section number.

16 **(c) Process for Revisions of Determination of Development Impact Fee(s) or**
17 **Development Impact Requirement(s).** In the event that the Department or the Commission
18 takes action affecting any development project subject to this Article and such action is
19 subsequently modified, superseded, vacated, or reversed by the Board of Appeals, the Board
20 of Supervisors, or by court action, the building permit or building permit application for such
21 development project shall be remanded to the Department to determine whether the
22 development project has been changed in a manner which affects the calculation of the
23 amount of development fees or development impact requirements required under this Article
24 and, if so, the Department shall revise the requirement imposed on the permit application in
25 compliance with this Article within 30 days of such remand and notify the project sponsor in

1 writing of such revision or that a revision is not required. The Department shall notify the
2 Development Fee Collection Unit at DBI if the revision materially affects the development fee
3 requirements originally imposed under this Article so that the Development Fee Collection
4 Unit update the Project Development Fee Report and re-issue the associated building or site
5 permit for the project, if necessary, to ensure that any revised development fees or
6 development impact requirements are enforced.

7 (d) **Timing of Fee Payments.** All impact fees are due and payable to the
8 Development Fee Collection Unit at DBI at the time of, and in no event later than, issuance of
9 the “first construction document” as defined in Section 401 of this Code and Section
10 107A.13.1 of the Building Code *provided that a project sponsor may defer payment of the fee,*
11 *excluding any fees that must be deposited in the Citywide Affordable Housing Fund (Administrative*
12 *Code Section 10.100-49), to a later date pursuant to Section 107A.13.3 of the Building Code.*~~The~~
13 ~~project sponsor’s option to defer payment of the fee to a later date pursuant to Section 107A.13.3 of the~~
14 ~~Building Code expired on July 1, 2013 and is not available unless and until the Board of Supervisors~~
15 ~~re-authorizes this deferral option.~~

16 (e) **Amount and Applicability of Impact Fees.** When the Planning Department determines
17 that a project is subject to development impact fees established in the Planning Code, with the
18 exception of the Inclusionary Housing Fee as set forth in Section 415 et seq., the assessment shall be
19 based on the types of fees and the rates of those fees in effect at the time of Final Approval. After Final
20 Approval, the City shall not impose subsequently established development impact fees or increase the
21 rate of existing fees on the development project, including annual inflation adjustments pursuant to
22 Section 409, except as provided in subsection (e)(1)-(2) of this Section 402. The Planning Department
23 shall transmit the fee assessment to the Development Fee Collection Unit at DBI in accordance with
24 this Section 402.

1 (1) **Modification, Renewal, Extension for Projects.** After the Final Approval, if a
2 development project requires a modification to, renewal, or extension of a previously approved
3 Development Application, the Planning Department shall reassess development impact fees pursuant to
4 subsection (e)(2). For the purposes of this subsection (e)(1), a “modification” shall not include a
5 legislatively-authorized reduction or waiver of fees, including any waivers pursuant to Section 406.

6 (2) **Amount of Reassessment.** For any development project that requires a
7 modification to, renewal, or extension pursuant to subsection (e)(1), the Planning Department shall
8 reassess fees as follows:

9 (A) **Modified Projects.** For projects increasing Gross Floor Area of any use,
10 the Planning Department shall assess the new or increased Gross Floor Area by applying the types of
11 impact fees in effect at the time of Final Approval at the rates in effect at the time of modification. For
12 projects reducing Gross Floor Area, the Planning Department shall assess the types and rates of fees in
13 effect at the time of Final Approval only on the remaining Gross Floor Area. If the modified project
14 would result in a new type of fee or a different rate based on applicable thresholds in effect at the time
15 of Final Approval, the entire project square footage is subject to the new type of fee or different rate in
16 effect at the time of modification. The City shall refund fees, if any, without interest, based on the fees
17 in effect at the time of Final Approval.

18 (B) **Renewal and Extended Projects.** For projects receiving a renewal or
19 extension, the Planning Department shall reassess fees for the entire project’s Gross Floor Area based
20 on the type of fees and rates of those fees in effect at the time of renewal or extension.

21 (3) **Projects Approved Prior to Effective Date of Ordinance in Board File No. 230764.**
22 For projects that have obtained a Final Approval, but that have not yet obtained a first site or building
23 permit prior to the effective date of the ordinance in Board File No. 230764, the assessed types and
24 rates of impact fees shall not be increased after that effective date, unless such project requires a
25 modification, extension, or renewal pursuant to subsection (e)(1)-(2) of this Section 402. For projects

1 that have obtained a Final Approval and a site or building permit prior to the effective date of the
2 ordinance in Board File No. 230764, the types and rate of fees are those assessed at the time of site or
3 building permit issuance, subject to legislative reduction or waiver of fees, unless such project requires
4 a modification, extension, or renewal pursuant to subsection (e)(1)-(2) of this Section 402.

5 (4) Applicability to Development Agreements.

6 (A) For projects subject to development agreements executed prior to the
7 effective date of the ordinance in Board File No. 230764, the Planning Department shall assess the
8 applicable fees pursuant to the development agreement and no later than the earlier of site or building
9 permit issuance.

10 (B) Except as may otherwise be agreed to by the parties, for a project subject to
11 a development agreement executed on or after the effective date of the ordinance in Board File No.
12 230764, the Planning Department shall assess the applicable fees at the earlier of site or building
13 permit issuance.

14 (C) The procedures set forth in subsection (e)(1)-(2) shall govern the
15 modification, renewal, or extension of a project subject to a development agreement.

16 (D) In the event of a conflict between this Section 402(e) and the terms of a
17 development agreement, the terms of the development agreement shall apply, unless the development
18 agreement is modified pursuant to the terms of that agreement.

19
20 **SEC. 403. PAYMENT OF DEVELOPMENT FEE(S) OR SATISFACTION OF**
21 **DEVELOPMENT IMPACT REQUIREMENT(S) AS A CONDITION OF APPROVAL**
22 **~~PLANNING COMMISSION REVIEW; RECOMMENDATION CONCERNING~~**
23 **~~EFFECTIVENESS OF FEE DEFERRAL PROGRAM.~~**

24 ~~(a) Condition of Approval.~~ In addition to any other condition of approval that may
25 otherwise be applicable, the Department or Commission shall require as a condition of

1 approval of a development project subject to a development fee or development impact
2 requirement under this Article that such development fee or fees be paid prior to the issuance
3 of the first construction document for any building or buildings within the development project,
4 in proportion to the amount required for each building if there are multiple buildings, with an
5 option for the project sponsor to defer payment of 85 percent of the fees, or 80 percent of the
6 fees if the project is subject to a neighborhood infrastructure impact development fee, to prior
7 to issuance of the first certificate of occupancy ~~upon agreeing to pay a Development Fee Deferral~~
8 ~~Surcharge on the amount owed~~, as provided by Section 107A.13.3 of the San Francisco Building
9 Code ("Fee Deferral Program"). The Fee Deferral Program shall not apply to fees that must be
10 deposited in the Citywide Affordable Housing Fund (Administrative Code Section 10.100-49). Projects
11 subject to development agreements executed pursuant to Chapter 56 of the Administrative Code shall
12 be eligible for the Fee Deferral Program, except as may otherwise be agreed to by the parties to the
13 development agreement. The Department or Commission shall also require as a condition of
14 approval that any development impact requirement imposed on a development project under
15 this Article shall be satisfied prior to issuance of the first certificate of occupancy for any
16 building or buildings within the development project, in proportion to the amount required for
17 each building if there are multiple buildings.

18 ~~(b) Hearing to Review Effectiveness of Fee Deferral Program. Under 107A.13.3 of the San~~
19 ~~Francisco Building Code, the option to defer the payment of development fees expires on July 1, 2013~~
20 ~~unless the Board of Supervisors extends the Fee Deferral Program. Prior to the July 1, 2013 expiration~~
21 ~~date, the Planning Commission shall hold a public hearing to review the effectiveness of the Fee~~
22 ~~Deferral Program, the economy at large, and whether the simulative effects of the Fee Deferral~~
23 ~~Program are still necessary. Following the public hearing, the Commission shall forward a~~
24 ~~recommendation to the Board of Supervisors as to whether the Fee Deferral Program should be~~
25 ~~continued, modified, or terminated.~~

1
2 **SEC. 406. WAIVER, REDUCTION, OR ADJUSTMENT OF DEVELOPMENT**
3 **PROJECT REQUIREMENTS.**

4 * * * *

5 (g) **Waiver for Projects in PDR Districts.** In a PDR District, a development project that meets
6 the eligibility criteria in subsection (g)(1) of this Section 406 shall receive a waiver from any
7 development impact fee or development impact requirement imposed by this Article.

8 (1) **Eligibility.** To be eligible for the waiver in this subsection (g), the project shall:

9 (A) be located in a PDR District;

10 (B) contain a Retail Use or PDR Use and no residential uses;

11 (C) propose the new construction of at least 20,000 square feet of Gross Floor Area and
12 no more than 200,000 square feet of Gross Floor Area;

13 (D) be located on a vacant site or site improved with buildings with less than a 0.25 to 1
14 Floor Area Ratio as of the date a complete Development Application is submitted;

15 (E) submit a complete Development Application on or before December 31, 2026,
16 including any projects that have obtained Final Approval prior to the effective date of the ordinance in
17 Board File No. 230764 that have not already paid development impact fees.

18 (2) **Extent of Waiver.** The waiver in this subsection (g) shall be limited to development
19 impact fees or development impact requirements for the establishment of any new Gross Floor Area of
20 PDR or Retail Use.

21 (3) **Sunset.** This subsection (g) shall expire by operation of law on December 31, 2026,
22 unless the duration of the subsection has been extended by ordinance effective on or before that date.
23 Upon expiration, the City Attorney shall cause subsection (g) to be removed from the Planning Code.

24 (h) **Waiver for Projects in the C-2 and C-3 Districts.** In the C-2 and C-3 Districts, a
25 development project that meets the eligibility criteria in subsection (h)(1) of this Section 406 shall

1 receive a waiver from any development impact fee or development impact requirement imposed by this
2 Article.

3 (1) **Eligibility.** To be eligible for the waiver in this subsection (h), the project shall:

4 (A) be located in a C-2 or C-3 District;

5 (B) contain any of the following uses: Hotel, Restaurant, Bar, Outdoor Activity, or
6 Entertainment;

7 (C) submit a complete Development Application on or before December 31, 2026,
8 including any projects that have obtained Final Approval prior to the effective date of the ordinance in
9 Board File No. 230764 that have not already paid development impact fees.

10 (2) **Extent of Waiver.** The waiver in this subsection (h) shall be limited to development
11 impact fees or development impact requirements for the establishment of any new Gross Floor Area of
12 the Hotel, Restaurant, Bar, Outdoor Activity, or Entertainment Use.

13 (3) **Sunset.** This subsection (h) shall expire by operation of law on December 31, 2026,
14 unless the duration of the subsection has been extended by ordinance effective on or before that date.
15 Upon expiration, the City Attorney shall cause subsection (h) to be removed from the Planning Code.

16
17 **SEC. 409. CITYWIDE DEVELOPMENT FEE REPORTING REQUIREMENTS AND**
18 **COST INFLATION FEE ADJUSTMENTS.**

19 * * * *

20 (b) **Annual Development Fee ~~Infrastructure Construction Cost~~ Inflation**
21 **Adjustments.** Prior to issuance of the Citywide Development Fee and Development Impact
22 Requirements Report referenced in subsection (a) above, the Controller shall review the
23 amount of each development fee established in the Planning Code and, with the exception of
24 the Inclusionary Affordable Housing Fee in Section 415 et seq., shall adjust the dollar amount
25 of any development fee by two percent on an annual basis every January 1 ~~based solely on the~~

1 ~~Annual Infrastructure Construction Cost Inflation Estimate. The Office of the City Administrator's~~
2 ~~Capital Planning Group shall publish the Annual Infrastructure Construction Cost Inflation Estimate,~~
3 ~~as approved by the City's Capital Planning Committee, no later than November 1 every year, without~~
4 ~~further action by the Board of Supervisors. The Annual Infrastructure Construction Cost Inflation~~
5 ~~Estimate shall be updated no later than November 1 every year, in order to establish maintain a~~
6 ~~reasonable estimate conservative connection between construction costs and development fees of~~
7 ~~construction cost inflation~~ for the next calendar year for a mix of public infrastructure and
8 facilities in San Francisco. ~~The Capital Planning Group may rely on past construction cost inflation~~
9 ~~data, market trends, and a variety of national, state, and local commercial and institutional~~
10 ~~construction cost inflation indices in developing its annual estimates for San Francisco.~~ The Planning
11 Department and the Development Fee Collection Unit at DBI shall provide notice of the
12 Controller's development fee adjustments, ~~including the Annual Infrastructure Construction Cost~~
13 ~~Inflation Estimate formula used to calculate the adjustment,~~ and MOHCD's separate adjustment of
14 the Inclusionary Affordable Housing Fee on the Planning Department and DBI websites and to
15 any interested party who has requested such notice at least 30 days prior to the adjustment
16 taking effect each January 1. The Inclusionary Affordable Housing Fee shall be adjusted
17 under the procedures established in Section 415.5(b)(3).

18

19 Section 4. The San Francisco Building Code is hereby amended by revising Section
20 107A.13, to read as follows:

21

22 **107A.13 Development impact and in-lieu fees.**

23 **107A.13.1 Definitions.**

24 (a) The following definitions shall govern interpretation of this Section:

25 * * * *

1 (10) "**Neighborhood Infrastructure Seed Fund**" shall mean the fund or funds
2 established by the Controller's Office for the purpose of collecting the 20 percent pre-paid
3 portion of the development fees intended to fund pre-development work on any neighborhood
4 infrastructure project funded by any of the ~~six~~ neighborhood infrastructure impact development
5 fees listed in Subsection 107A.13.13.1. In addition, third-party grant monies or loans may also
6 be deposited into this fund for the purpose of funding pre-development or capital expenses to
7 accelerate the construction start times of any neighborhood infrastructure project funded by
8 any of the ~~six~~ neighborhood infrastructure impact development fees listed in Subsection
9 107A.13.13.1. 1

10
11 * * * *

12 **107A.13.2 Collection by Department.** The Department shall be responsible for
13 collecting all development impact and in-lieu fees, including (a) fees levied by the San
14 Francisco Unified School District if the District authorizes collection by the Department, and
15 (b) fees levied by the San Francisco Public Utilities Commission, if the Commission's General
16 Manager authorizes collection by the Department, deferral of payment of any development
17 fee, and/or resolution of any development fee dispute or appeal in accordance with this
18 Section 107A.13.

19 **107A.13.3 Timing of development fee payments and satisfaction of development**
20 **impact requirements.**

21 (a) All development impact or in-lieu fees owed for a development project shall be
22 paid by the project sponsor prior to issuance of the first construction document; provided,
23 however, that the project sponsor may elect to defer payment of said fees under Section
24 107A.13.3.1.
25

1 (b) Any development impact requirement shall be completed prior to issuance of the
2 first certificate of occupancy for the development project.

3 **107A.13.3.1 Fee deferral program;** ~~development fee deferral surcharge.~~ A project
4 sponsor may elect to defer payment of any development impact or in-lieu fee, excluding any
5 fees that must be deposited into the Citywide Affordable Housing Fund (Administrative Code Section
6 10.100-49), collected by the Department to a due date prior to issuance by the Department of
7 the first certificate of occupancy; provided, however, that the project sponsor shall pay 15
8 percent of the total amount of the development fees owed, excluding any fees that must be
9 deposited into the Citywide Affordable Housing Fund (Administrative Code Section 10.100-49), prior
10 to issuance of the first construction document. If a project is subject to one of the ~~six~~
11 neighborhood infrastructure impact development fees listed in Subsection 107A.13.3.1.1, the
12 project sponsor shall pay 20 percent of the total amount of the development fees owed prior to
13 issuance of the first construction document. These pre-paid funds shall be deposited as
14 provided in Subsection 107A.13.3.1.1 below. A project sponsor that has not obtained its First
15 Construction Document ~~received project approval~~ prior to ~~July 1, 2010~~ the Effective Date of the
16 ordinance in Board File No. 230764 and has not yet paid a development impact or in-lieu fee
17 may elect to defer payment under the provisions of this Section notwithstanding a condition of
18 approval that required the fee to be paid prior to issuance of ~~a building or site permit~~ the First
19 Construction Document.

20 This option to defer payment may be exercised by ~~(1)~~ submitting a deferral request to
21 the Department on a form provided by the Department prior to issuance of the first
22 construction document, ~~and (2) agreeing to pay a Development Fee Deferral Surcharge.~~ This
23 deferral option shall not be available to a project sponsor who paid the fee prior to the
24 ~~operative Effective Date of July 1, 2010~~ the ordinance in Board File No. 230764; the project
25 sponsor's reapplication for a building or site permit after expiration of the original permit and

1 refund of the development fees paid shall not authorize the project sponsor to elect the
2 deferral option. *The deferral option shall expire on July 1, 2013 unless the Board of Supervisors*
3 *extends it.*

4 **107A.13.3.1.1 Deposit of pre-paid portion of deferred development fees.** If a
5 development project is not subject to one of the ~~six~~ neighborhood infrastructure impact fees
6 listed below, the pre-paid portion of the development fees shall be deposited into the
7 appropriate fee account. If there is more than one fee account, the pre-paid portion of the fees
8 shall be apportioned equally.

9 If a development project is subject to one of the ~~six~~ neighborhood infrastructure impact
10 development fees listed below, the entire 20 percent development fee pre-payment shall be
11 deposited in the appropriate neighborhood infrastructure impact fee account. These pre-paid
12 funds shall be dedicated solely to replenishing the Neighborhood Infrastructure Seed Fund for
13 that specific neighborhood infrastructure impact fee account. In no event shall a neighborhood
14 infrastructure impact fee specific to one Area Plan be mixed with neighborhood infrastructure
15 impact fees specific to a different Area Plan. If the 20 percent development fee pre-payment
16 exceeds the total amount owed for the neighborhood infrastructure impact fee account, the
17 remaining pre-paid portion of the 20 percent development fee pre-payment shall be
18 apportioned equally among the remaining applicable development fees.

19 The neighborhood infrastructure development fees subject to the 20 percent pre-
20 payment provision of this Subsection 107A.13.3.1.1 are as follows: (1) the Rincon Hill
21 Community Infrastructure Impact Fee, as set forth in Planning Code Section 418.3(b)(1); (2)
22 the Visitacion Valley Community Facilities and Infrastructure Fee, as set forth in Planning
23 Code Section 420.3(b); (3) the Market and Octavia Community Infrastructure Fee, as set forth
24 in Planning Code Section 421.3(b); (4) the Balboa Park Community Infrastructure Impact Fee,
25 as set forth in Planning Code Section 422.3(b); (5) the Eastern Neighborhoods Infrastructure

1 Impact Fee, as set forth in Planning Code Section 423.3(b); *and* (6) the Van Ness and Market
2 Neighborhood Infrastructure Impact Fee, as set forth in Planning Code Section 424.3(b)(ii);
3 *and* (7) the Central SoMa Infrastructure Impact Fee, as set forth in Planning Code Section 433.

4 **107A.13.3.2 Reserved.** *Payment of development fees; payment and calculation of Development*
5 *Fee Deferral Surcharge. Except for any pre-paid fees, all deferred development fees remaining unpaid*
6 *shall be paid in full prior to issuance of the first certificate of occupancy at the end of the deferral*
7 *period. The Development Fee Deferral Surcharge shall be paid when the deferred fees are paid and*
8 *shall accrue at the Development Fee Deferral Surcharge Rate.*

9 *The Development Fee Deferral Surcharge Rate shall be calculated monthly by the Unit as a*
10 *blended interest rate comprised of 50% of the Treasurer's yield on a standard two-year investment and*
11 *50% of the latest updated Monthly Earned Income Yield Rate for the City and County of San*
12 *Francisco's Pooled Funds, as posted on the San Francisco Treasurer's website and 50% of the Annual*
13 *Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator's*
14 *Capital Planning Group and approved by the City's Capital Planning Committee consistent with its*
15 *obligations under Section 409(b) of the San Francisco Planning Code. The annual Infrastructure*
16 *Construction Cost Inflation Estimate shall be updated by the Office of the City Administrator's Capital*
17 *Planning Group on an annual basis, in consultation with the Capital Planning Committee, with the*
18 *goal of establishing a reasonable estimate of construction cost inflation for the next calendar year for a*
19 *mix of public infrastructure and facilities in San Francisco. The Capital Planning Group may rely on*
20 *past construction cost inflation data, market trends, and a variety of national, state and local*
21 *commercial and institutional construction cost inflation indices in developing their annual estimates for*
22 *San Francisco. Commencing on the effective date of this ordinance, the Unit shall publish the*
23 *Development Fee Deferral Surcharge on the Department of Building Inspection website at or near the*
24 *beginning of each month. The accrual of any deferred development fees begins on the first day that a*
25 *project sponsor elects to defer development fees, but never later than immediately after issuance of the*

1 ~~first construction document. The Development Fee Collection Unit shall calculate the final~~
2 ~~Development Fee Deferral Surcharge for individual projects by multiplying the total development fees~~
3 ~~otherwise due prior to issuance of the construction document by the Development Fee Deferral~~
4 ~~Surcharge Rate by the actual day count of the entire Development Fee Deferral Period, which shall be~~
5 ~~the number of days between the project sponsor's election to defer to final payment of the deferred~~
6 ~~development fees. The Development Fee Deferral Surcharge shall be apportioned among all~~
7 ~~development fee funds according to the ratio of each development fee as a percentage of the total~~
8 ~~development fees owed on the specific project.~~

9 * * * *

10
11 Section 5. Article 4 of the Planning Code is hereby amended by revising Sections
12 401A, 411A.1, 411A.6, 412.1, 412.4, 413.1, 414.1, 414A.1, 418.1, 420.1, 421.1, 422.1, 423.1,
13 424.1, 424.6.1, 424.7.1, 430, 433.1, and 435.1, to read as follows:

14
15 **SEC. 401A. FINDINGS.**

16 (a) **General Findings.** The Board makes the following findings related to the fees
17 imposed under Article 4.

18 (1) **Application.** The California Mitigation Fee Act, Government Code Section
19 66000 et seq. may apply to some or all of the fees in this Article 4. While the Mitigation Fee
20 Act may not apply to all fees, the Board has determined that general compliance with its
21 provisions is good public policy in the adoption, imposition, collection, and reporting of fees
22 collected under this Article 4. By making findings required under the Act, including the findings
23 in this Subsection and findings supporting a reasonable relationship between new
24 development and the fees imposed under this Article 4, the Board does not make any finding
25 or determination as to whether the Mitigation Fee Act applies to all of the Article 4 fees.

1 (2) **Timing of Fee Collection.** For any of the fees in this Article 4 collected
2 prior to the issuance of the certificate of occupancy, the Board of Supervisors makes the
3 following findings set forth in California Government Code Section 66007(b): the Board of
4 Supervisors finds, based on information from the Planning Department in Board File No.
5 150149, that it is appropriate to require the payment of the fees in Article 4 at the time of
6 issuance of the first construction document because the fee will be collected for public
7 improvements or facilities for which an account has been established and funds appropriated
8 and for which the City has adopted a proposed construction schedule or plan prior to the final
9 inspection or issuance of the certificate of occupancy or because the fee is to reimburse the
10 City for expenditures previously made for such public improvements or facilities.

11 (3) **Administrative Fee.** The Board finds, based on information from the
12 Planning Department in Board File No. 150149, that the City agencies administering the fee
13 will incur costs equaling 5% or more of the total amount of fees collected in administering the
14 funds established in Article 4. Thus, the 5% administrative fee included in the fees in this
15 Article 4 do not exceed the cost of the City to administer the funds.

16 (b) **Specific Findings.** The Board of Supervisors has reviewed the San Francisco
17 Citywide Nexus Analysis ~~prepared by AECOM dated March 2014~~ (“Nexus Analysis”); and the San
18 Francisco Infrastructure Level of Service Analysis (“Level of Service Analysis”) ~~prepared by~~
19 ~~AECOM dated March 2014, and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study),~~
20 ~~dated May, 2015, both~~ on file with the Clerk of the Board in Files Nos. 230764-150149 and 150790,
21 and adopts the findings and conclusions of those studies, specifically the sections of those
22 studies establishing levels of service for and a nexus between new development and ~~five~~ four
23 infrastructure categories: Recreation and Open Space, Childcare, ~~Streetscape and Pedestrian~~
24 ~~Infrastructure, Bicycle Infrastructure, Complete Streets,~~ and Transit Infrastructure. The Board of
25 Supervisors finds that, as required by California Government Code Section 66001, for each

1 infrastructure category analyzed, the Nexus Analysis and Infrastructure Level of Service
2 Analysis: identify the purpose of the fee; identify the use or uses to which the fees are to be
3 put, *including a reasonable level of service*; determine how there is a reasonable relationship
4 between the fee's use and the type of development project on which the fee is imposed;
5 determine how there is a reasonable relationship between the need for the public facility and
6 the type of development project on which the fee is imposed; and determine how there is a
7 reasonable relationship between the amount of the fee and the cost of the public facility or
8 portion of the facility attributable to the development. Specifically, as discussed in more detail
9 in and supported by the Nexus Analysis and Infrastructure Level of Service Analysis the
10 Board adopts the following findings:

11 (1) **Recreation and Open Space Findings.**

12 (A) **Purpose.** The fee will help maintain adequate park capacity required to
13 serve new service population resulting from new development.

14 (B) **Use.** The fee will be used to fund projects that directly increase park
15 capacity in response to demand created by new development. Park and recreation capacity
16 can be increased either through the acquisition of new park land, or through capacity
17 enhancements to existing parks and open space. Examples of how development impact fees
18 would be used include: acquisition of new park and recreation land; lighting improvements to
19 existing parks, which extend hours of operation on play fields and allow for greater capacity;
20 recreation center construction, or adding capacity to existing facilities; and converting passive
21 open space to active open space including but not limited to through the addition of trails, play
22 fields, and playgrounds.

23 (C) **Reasonable Relationship.** As new development adds more employment
24 and/or residents to San Francisco, it will increase the demand for park facilities and park
25 capacity. Fee revenue will be used to fund the acquisition and additional capacity of these

1 park facilities. Each new development project will add to the incremental need for recreation
2 and open space facilities described above. Improvements considered in the Nexus Study are
3 estimated to be necessary to maintain the City's effective service standard.

4 (D) **Proportionality.** The new facilities and costs allocated to new development
5 are based on the existing ratio of the City's service population to acres of existing recreation and
6 open space ~~a conservative estimate of its current recreation and open space capital expenditure to~~
7 ~~date~~. The scale of the capital facilities and associated costs are proportional to the projected
8 levels of new development and the existing relationship between service population and
9 recreation and open space ~~infrastructure~~. The cost of the deferred maintenance required to
10 address any operational shortfall within the City's recreation and open space provision will not
11 be financed by development fees.

12 (2) **Childcare Findings.**

13 (A) **Purpose.** The fee will support the provision of childcare facility needs
14 resulting from an increase in San Francisco's residential and employment population.

15 (B) **Use.** The childcare impact fee will be used to fund capital projects related
16 to infant, toddler, and preschool-age childcare. Funds will pay for the expansion of childcare
17 slots for infant, toddler, and preschool children.

18 (C) **Reasonable Relationship.** New residential and commercial development in
19 San Francisco will increase the demand for infant, toddler and preschool-age childcare. Fee
20 revenue will be used to fund the capital investment needed for these childcare facilities.
21 Residential developments will result in an increase in the residential population, which results
22 in growth in the number of children requiring childcare. Commercial development results in an
23 increase of the employee population, which similarly require childcare near their place of
24 work. Improvements considered in this study are estimated to be necessary to maintain the
25 City's provision of childcare at its effective service standard.

1 (D) **Proportionality.** The ~~new facilities and~~ costs allocated to new development
2 are based on estimated childcare demand generated by future development. ~~existing service ratio of~~
3 ~~the total number of infants, toddler, and preschoolers needing care in San Francisco to the number of~~
4 ~~spaces available to serve them. The total numbers of children reflect both resident children and non-~~
5 ~~resident children of San Francisco employees needing care.~~ Capital costs required to provide these
6 childcare spaces to accommodate the new population are based on the City's cost of funding new
7 childcare facilities and assigned to new housing units and new non-residential development on a per-
8 square-foot basis. The scale of the capital facilities and associated costs are directly
9 proportional to the expected levels of new development and the corresponding increase in
10 childcare demands.

11 (3) **Complete Streets Streetscape and Pedestrian Infrastructure Findings.** ~~The~~
12 ~~infrastructure covered by Pedestrian and Bicycle Infrastructure and Bicycle Infrastructure may be~~
13 ~~referred to in certain Area Plans collectively as "Complete Streets Infrastructure."~~

14 (A) **Purpose.** "Complete Streets" encompass sidewalk improvements, such as
15 lighting, landscaping, and safety measures, and sustainable street elements more broadly, including
16 bike lanes, sidewalk paving and gutters, lighting, street trees and other landscaping, bulb-outs, and
17 curb ramps. The primary purpose of the Complete Streets streetscape and pedestrian infrastructure
18 ~~development~~ impact fee is to fund capital investments in bicycle, streetscape, and pedestrian
19 infrastructure to accommodate the growth in street activity.

20 (B) **Use.** The ~~streetscape infrastructure~~ Complete Streets fees will be used to
21 implement the Better Streets Plan (2010), on file in Board File No. 230764, including enhancement of
22 the pedestrian network in the areas surrounding new development – whether through
23 sidewalk improvements, construction of complete streets, or pedestrian safety improvements
24 – and development of new premium bike lanes, upgraded intersections, additional bicycle parking, and
25 new bicycle sharing program stations.

1 (C) **Reasonable Relationship.** New residential and non-residential development
2 brings an increased demand for new or expanded and improved Complete Streets infrastructure. This
3 relationship between new development, an influx of residents and workers, and a demand for complete
4 streets infrastructure provides the nexus for an impact fee. Complete Streets impact fees, imposed on
5 new development, fund the construction of new and enhanced complete streets infrastructure for the
6 additional residents and workers directly attributable to new development. New development in San
7 Francisco will increase the burden on the City's pedestrian infrastructure. Fee revenue will be used to
8 increase pedestrian infrastructure capacity and facilities. Residential and commercial development will
9 add to the incremental need for streetscape and pedestrian infrastructure. Improvements considered in
10 this study are estimated to be necessary to maintain the City's effective service standard, reflecting the
11 City's investment to date.

12 (D) **Proportionality.** The fees allocated to new development are based on the
13 existing ratio of the City's service population to a conservative estimate of its current
14 ~~streetscape and pedestrian~~ Complete Streets infrastructure provision to date – in the form of
15 square feet of Complete Streets sidewalk per thousand service population units. The costs
16 associated with this level of improvement are drawn from the cost per square foot associated
17 with ~~improving sidewalk under the Department of Public Works' standard repaving and bulbouts cost~~
18 ~~structure~~ constructing Complete Streets elements based on data from the San Francisco Planning
19 Department, Department of Public Works, Public Utilities Commission, and Municipal Transportation
20 Agency. Due to the locational variation in the cost of building Complete Street elements, the fee
21 calculation includes a 20 percent markup for the downtown area. The scale of the capital facilities
22 and associated costs are directly proportional to the expected levels of new development and
23 the existing relationship between service population and ~~pedestrian~~ Complete Streets
24 infrastructure. The cost of the deferred maintenance required to address any operational
25 shortfall is not allocated to be funded by new development.

1 — ~~(4) Bicycle Infrastructure Findings. The infrastructure covered by Pedestrian and Bicycle~~
2 ~~Infrastructure and Bicycle Infrastructure may be referred to in certain Area Plans collectively as~~
3 ~~"Complete Streets Infrastructure."~~

4 — ~~(A) Purpose. The primary purpose of bicycle infrastructure development impact fee is to~~
5 ~~fund capital improvements to San Francisco's bicycle infrastructure.~~

6 — ~~(B) Use. The bicycle fee will be used to implement the SFMTA's Bicycle Plan set forth in~~
7 ~~the 2013 Bicycle Strategy. The fee will support development of new premium bike lanes, upgraded~~
8 ~~intersections, additional bicycle parking, and new bicycle sharing program stations.~~

9 — ~~(C) Reasonable Relationship. New residential and commercial development in San~~
10 ~~Francisco will increase trips in San Francisco, of which a share will travel by bicycle. Fee revenue will~~
11 ~~be used to fund the capital investment needed for these bicycle facilities. Both residential and~~
12 ~~commercial developments result in an increased need for bicycle infrastructure, as residents and~~
13 ~~employees rely on bicycle infrastructure for transportation, and to alleviate strain on other~~
14 ~~transportation modes.~~

15 — ~~(D) Proportionality. The facilities and costs allocated to new development are based on~~
16 ~~the proportional distribution of the Bicycle Plan Plus investments between existing and new service~~
17 ~~population units. The scale of the capital facilities and associated costs are directly proportional to the~~
18 ~~expected levels of new development and the existing relationship between service population and~~
19 ~~bicycle facility demands.~~

20 (54) **Transit Infrastructure Findings.** ~~See Section 4HA.~~

21 (A) Purpose. Transit Infrastructure funds will be used to meet the demand for transit capital
22 maintenance, transit capital facilities and fleet, and pedestrian and bicycle infrastructure generated by
23 new development in the City.

24 (B) Use. Transit Infrastructure fees will fund transit capital maintenance and transit capital
25 facilities to maintain the existing level of service. Revenues for capital maintenance operating costs will

1 improve vehicle reliability to expand transit services. Revenues for capital facilities will be used for
2 transit fleet expansion, improvements to increase SFMTA transit speed and reliability, and
3 improvements to regional transit operators. Though the fees are calculated based on transit
4 maintenance and facilities, fee revenues may be used for pedestrian and bicycle improvements to
5 complement revenue from the Complete Streets fee, including Area Plan complete street fees.

6 (C) **Reasonable Relationship.** The Transit Infrastructure fee is reasonably related to the
7 financial burden that development projects impose on the City. As development generates new trips, the
8 SFMTA must increase the supply of transit services and therefore capital maintenance expenditures to
9 maintain the existing transit level of service. Development also increases the need for expanded transit
10 facilities due to increased transit and auto trips.

11 (D) **Proportionality.** The existing level of service for transit capital maintenance is based on
12 the current ratio of the supply of transit services (measured by transit revenue service hours) to the
13 level of transportation demand (measured by number of automobile plus transit trips). The fair share
14 cost of planned transit capital facilities is allocated to new development based on trip generation from
15 new development as a percent of total trip generation served by the planned facility, including existing
16 development. The variance in the fee by economic activity category based on trip generation, and the
17 scaling of the fee based on the size of the development project, supports proportionality between the
18 amount of the fee and the share of transit capital maintenance and facilities attributable to each
19 development project.

20 (65) **Additional Findings.** The Board finds that the Nexus ~~Analyses and Level of~~
21 ~~Service Analysis~~ establish that the fees are less than the cost of mitigation and do not include
22 the costs of remedying any existing deficiencies. The City may fund the cost of remedying
23 existing deficiencies through other public and private funds. The Board also finds that the
24 Nexus ~~Analyses and Level of Service Analysis~~ establish that the fees do not duplicate other City
25 requirements or fees. The Board further finds that there is no duplication in fees applicable on a

1 Citywide basis and fees applicable within an Area Plan. Moreover, the Board finds that these fees
2 are only one part of the City's broader funding strategy to address these issues. Residential
3 and non-residential impact fees are only one of many revenue sources necessary to address
4 the City's infrastructure needs.

5
6 **SEC. 411A.1. FINDINGS.**

7 * * * *

8 ~~(i) Based on the above findings and the TSF Nexus Study, the City determines that the TSF~~
9 ~~satisfies the requirements of California Government Code Section 66001 et seq. ("the Mitigation Fee~~
10 ~~Act"), as follows:~~

11 ~~— (1) The purpose of the TSF is to help meet the demands imposed on the City's~~
12 ~~transportation system by new Development Projects.~~

13 ~~— (2) Funds from collection of the TSF will be used to meet the demand for transit capital~~
14 ~~maintenance, transit capital facilities and fleet, and pedestrian and bicycle infrastructure generated by~~
15 ~~new development in the City.~~

16 ~~— (3) There is a reasonable relationship between the proposed uses of the TSF and the~~
17 ~~impacts of Development Projects subject to the TSF on the transportation system in the City.~~

18 ~~— (4) There is a reasonable relationship between the types of Development Projects on which~~
19 ~~the TSF will be imposed and the need to fund transportation system improvements.~~

20 ~~— (5) There is a reasonable relationship between the amount of the TSF to be imposed on~~
21 ~~Development Projects and the impact on transit resulting from such projects.~~

22 (i) More recently, the City adopted the San Francisco Citywide Nexus Analysis ("Nexus
23 Analysis") and the San Francisco Infrastructure Level of Service Analysis, both on file with the Clerk
24 of the Board in File No. 230764. The Nexus Analysis evaluated the TSF, in addition to other
25 transportation impact fees. In Section 401A, the Board adopted the findings and conclusions of those

1 studies and the general and specific findings in that Section, specifically including the Transit
2 Infrastructure Findings, and incorporates those by reference herein to support the imposition of the
3 fees under this Section.

4
5 **SEC. 411A.6. TSF EXPENDITURE PROGRAM.**

6 As set forth in the ~~TSF~~-Nexus ~~Study Analysis~~, on file with the Clerk of the Board of
7 Supervisors File No. ~~150790~~ 230764, ~~T~~TSF funds may only be used to reduce the burden
8 imposed by Development Projects on the City's transportation system. Expenditures shall be
9 allocated as follows, giving priority to specific projects identified in the different Area Plans:

10 * * * *

11
12 **SEC. 412.1. PURPOSE AND FINDINGS SUPPORTING DOWNTOWN PARK FEE.**

13 * * * *

14 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
15 Nexus Analysis ~~prepared by AECOM dated March 2014~~ ("Nexus Analysis"), and the San
16 Francisco Infrastructure Level of Service Analysis ~~prepared by AECOM dated March 2014~~, both
17 on file with the Clerk of the Board in File No. ~~150149~~ 230764 and, under Section 401A, adopts
18 the findings and conclusions of those studies and the general and specific findings in that
19 Section, specifically including the Recreation and Open Space Findings, and incorporates
20 those by reference herein to support the imposition of the fees under this Section.

21
22 **SEC. 412.4. IMPOSITION OF DOWNTOWN PARK FEE REQUIREMENT.**

23 * * * *

24 (b) **Amount of Fee.** The amount of the fee shall be \$2 per square foot ~~(this fee amount~~
25 ~~is increased annually per the Consumer Price Index and the currently applicable fee is listed in the Fee~~

1 ~~Register~~) of the Net Addition of Gross Floor Area of Office Use to be constructed as set forth in
2 the final approved building or site permit.

3 * * * *

4
5 **SEC. 413.1. FINDINGS.**

6 * * * *

7 (h) The Board of Supervisors has reviewed the Jobs Housing Nexus Analysis *prepared*
8 *by Keyser Marsten Associates, Inc., dated May 2019* (“*Jobs Housing Nexus Analysis*”), which is on
9 file with the Clerk of the Board in Board File No. 190548, and adopts the findings and
10 conclusions of that study, and incorporates the findings by reference herein to support the
11 imposition of the fees under Section 413.1 et seq.

12
13 **SEC. 414.1. PURPOSE AND FINDINGS SUPPORTING CHILDCARE**
14 **REQUIREMENTS FOR OFFICE AND HOTEL DEVELOPMENT PROJECTS.**

15 * * * *

16 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
17 Nexus Analysis *prepared by AECOM dated March 2014* (“Nexus Analysis”), and the San
18 Francisco Infrastructure Level of Service Analysis *prepared by AECOM dated March 2014*, both
19 on file with the Clerk of the Board in File No. ~~230764150149~~ and, under Section 401A, adopts
20 the findings and conclusions of those studies and the general and specific findings in that
21 Section, specifically including the Childcare Findings, and incorporates those by reference
22 herein to support the imposition of the fees under this Section.

23
24 **SEC. 414A.1. PURPOSE AND FINDINGS.**

25 * * * *

1 (b) **Findings.** ~~In adopting Ordinance No. 50-15,~~ The Board of Supervisors reviewed the
2 San Francisco Citywide Nexus Analysis ~~prepared by AECOM dated March 2014~~ (“Nexus
3 Analysis”), and the San Francisco Infrastructure Level of Service Analysis ~~prepared by AECOM~~
4 ~~dated March 2014~~, both on file with the Clerk of the Board of Supervisors in File No.
5 ~~150149~~230764. The Board of Supervisors reaffirms the findings and conclusions of those
6 studies as they relate to the impact of residential development on childcare and hereby
7 readopts ~~the findings contained in Ordinance 50-15, including~~ the General Findings in Section
8 401A(a) of the Planning Code and the Specific Findings in Section 401A(b) of the Planning
9 Code relating to childcare.

10
11 **SEC. 418.1. PURPOSE AND FINDINGS SUPPORTING RINCON HILL COMMUNITY**
12 **IMPROVEMENTS FUND AND SOMA COMMUNITY STABILIZATION FUND.**

13 * * * *

14 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
15 Nexus Analysis ~~prepared by AECOM dated March 2014~~ (“Nexus Analysis”), and the San
16 Francisco Infrastructure Level of Service Analysis ~~prepared by AECOM dated March 2014~~, both
17 on file with the Clerk of the Board in File No. ~~150149~~ 230764 and, under Section 401A, adopts
18 the findings and conclusions of those studies and the general and specific findings in that
19 Section, specifically including the Recreation and Open Space Findings and Complete Streets
20 findings, Pedestrian and Streetscape Findings, and Bicycle Infrastructure Findings and incorporates
21 those by reference herein to support the imposition of the fees under this Section.

22 The Board takes legislative notice of the findings supporting the fees in former Planning
23 Code Section 418.1 (formerly Section 318.1) and the materials associated with Ordinance No.
24 217-05 in Board File No. 050865. To the extent that the Board previously adopted fees in this
25 Area Plan that are not covered in the analysis of the four infrastructure areas analyzed in the

1 Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely
2 on its prior analysis and the findings it made in support of those fees.

3 * * * *

4
5 **SEC. 420.1. PURPOSE AND FINDINGS SUPPORTING VISITACION VALLEY**
6 **COMMUNITY IMPROVEMENTS FEE AND FUND.**

7 * * * *

8 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
9 Nexus Analysis *prepared by AECOM dated March 2014* (“Nexus Analysis”), and the San
10 Francisco Infrastructure Level of Service Analysis *prepared by AECOM dated March 2014*, both
11 on file with the Clerk of the Board in File No. ~~150149~~ 230764 and, under Section 401A, adopts
12 the findings and conclusions of those studies and the general and specific findings in that
13 Section, specifically including the Recreation and Open Space Findings, ~~Pedestrian and~~
14 ~~Streetseape~~ Complete Streets Findings, and Childcare Findings, ~~and Bicycle Infrastructure Findings~~
15 and incorporates those by reference herein to support the imposition of the fees under this
16 Section.

17 The Board takes legislative notice of the findings supporting these fees in former
18 Planning Code Section 420.1 (formerly Section 318.10 et seq.) and the materials associated
19 with Ordinance No. 3-11 in Board File No. 101247. To the extent that the Board previously
20 adopted fees in this Area Plan that are not covered in the analysis of the four infrastructure
21 areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the
22 Board continues to rely on its prior analysis and the findings it made in support of those fees.

23
24 **SEC. 421.1. PURPOSE AND FINDINGS SUPPORTING THE MARKET AND**
25 **OCTAVIA COMMUNITY IMPROVEMENTS FUND.**

1 * * * *

2 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
3 Nexus Analysis *prepared by AECOM dated March 2014* (“Nexus Analysis”), *and* the San
4 Francisco Infrastructure Level of Service Analysis *prepared by AECOM dated March 2014, and*
5 *the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, both* on file
6 with the Clerk of the Board in Files Nos. 230764 ~~150149 and 150790~~, and, under Section 401A,
7 adopts the findings and conclusions of those studies and the general and specific findings in
8 that Section, specifically including the Recreation and Open Space Findings, *Pedestrian and*
9 *Streetseape* Complete Streets Findings, Childcare Findings, *Bicycle Infrastructure Findings*, and
10 Transit Infrastructure Findings, and incorporates those by reference herein to support the
11 imposition of the fees under this Section.

12
13 **SEC. 422.1. PURPOSE AND FINDINGS IN SUPPORT OF BALBOA PARK**
14 **COMMUNITY IMPROVEMENTS FUND.**

15 * * * *

16 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
17 Nexus Analysis *prepared by AECOM dated March 2014* (“Nexus Analysis”), *and* the San
18 Francisco Infrastructure Level of Service Analysis *prepared by AECOM dated March 2014, and*
19 *the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, both* on file
20 with the Clerk of the Board in Files Nos. 230764 ~~150149 and 150790~~, and, under Section 401A,
21 adopts the findings and conclusions of those studies and the general and specific findings in
22 that Section, specifically including the Recreation and Open Space Findings, *Pedestrian and*
23 *Streetseape* Complete Streets Findings, Childcare Findings, *Bicycle Infrastructure Findings*, and
24 Transit Infrastructure Findings, and incorporates those by reference herein to support the
25 imposition of the fees under this Section.

1
2 **SEC. 423.1. PURPOSE AND FINDINGS SUPPORTING EASTERN**
3 **NEIGHBORHOODS IMPACT FEES AND COMMUNITY IMPROVEMENTS FUND.**

4 * * * *

5 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
6 Nexus Analysis *prepared by AECOM dated March 2014* (“Nexus Analysis”), *and* the San
7 Francisco Infrastructure Level of Service Analysis *prepared by AECOM dated March 2014, and*
8 *the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, both* on file
9 with the Clerk of the Board in Files Nos. 230764 ~~150149~~ *and* ~~150790~~, and, under Section 401A,
10 adopts the findings and conclusions of those studies and the general and specific findings in
11 that Section, specifically including the Recreation and Open Space Findings, *Pedestrian and*
12 *Streetscape* Complete Streets Findings, Childcare Findings, *Bicycle Infrastructure Findings*, and
13 Transit Infrastructure Findings, and incorporates those by reference herein to support the
14 imposition of the fees under this Section.

15
16 **SEC. 424.1. FINDINGS SUPPORTING THE VAN NESS & MARKET AFFORDABLE**
17 **HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM**

18 * * * *

19 (b) **Neighborhood Infrastructure.** The Van Ness & Market Residential SUD enables
20 the creation of a very dense residential neighborhood in an area built for back-office and
21 industrial uses. Projects that seek the FAR bonus above the maximum cap would introduce a
22 very high localized density in an area generally devoid of necessary public infrastructure and
23 amenities, as described in the Market and Octavia Area Plan. While envisioned in the Plan,
24 such projects would create localized levels of demand for open space, streetscape
25 improvements, and public transit above and beyond the levels both existing in the area today

1 and funded by the Market and Octavia Community Improvements Fee. Such projects also
2 entail construction of relatively taller or bulkier structures in a concentrated area, increasing
3 the need for offsetting open space for relief from the physical presence of larger buildings.
4 Additionally, the FAR bonus provisions herein are intended to provide an economic incentive
5 for project sponsors to provide public infrastructure and amenities that improve the quality of
6 life in the area. The bonus allowance is calibrated based on the cost of responding to the
7 intensified demand for public infrastructure generated by increased densities available
8 through the FAR density bonus program.

9 The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis
10 ~~prepared by AECOM dated March 2014~~ ("Nexus Analysis"), and the San Francisco Infrastructure
11 Level of Service Analysis ~~prepared by AECOM dated March 2014, and the Transportation~~
12 ~~Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, both~~ on file with the Clerk of
13 the Board in Files Nos. 230764 ~~150149 and 150790~~, and, under Section 401A, adopts the
14 findings and conclusions of those studies and the general and specific findings in that Section,
15 specifically including the Recreation and Open Space Findings, ~~Pedestrian and Streetscape~~
16 ~~Complete Streets~~ Findings, Childcare Findings, ~~Bicycle Infrastructure Findings~~, and Transit
17 ~~Infrastructure~~ Findings, and incorporates those by reference herein to support the imposition of
18 the fees under this Section.

19
20 **SEC. 424.6.1. FINDINGS.**

21 (a) **General.** Existing public park and recreational facilities located in the downtown
22 area are at or approaching capacity utilization by the population of the area. There is
23 substantial additional population density, both employment and residential, planned and
24 projected in the Transit Center District. This district, more than other parts of the downtown, is
25 lacking in existing public open space amenities to support population growth. The need for

1 additional public park and recreation facilities in the downtown area, and specifically in the
2 Transit Center District, will increase as the population increases due to continued office, retail,
3 institutional, and residential development. Additional population will strain and require
4 improvement of existing open spaces both downtown and citywide, and will necessitate the
5 acquisition and development of new public open spaces in the immediate vicinity of the
6 growth areas. While the open space requirements imposed on individual commercial
7 developments address the need for plazas and other local outdoor sitting areas to serve
8 employees and visitors in the districts, and requirements imposed on individual residential
9 developments address the need for small-scale private balconies, terraces, courtyards or
10 other minor common space such as can be accommodated on individual lots, such open
11 space cannot provide the same recreational opportunities as a public park. In order to provide
12 the City and County of San Francisco with the financial resources to acquire and develop
13 public park and recreation facilities necessary to serve the burgeoning population in the
14 downtown area, a Transit Center District Open Space Fund shall be established as set forth
15 herein. The Board of Supervisors adopts the findings of the *Downtown Open Space Nexus Study*
16 *the San Francisco Citywide Nexus Analysis (“Nexus Analysis”), on file with the Clerk of the Board in*
17 *File No. 230764,* in accordance with the California Mitigation Fee Act, Government Code
18 *Section 66001(a) on file with the Clerk of the Board in File No. _____.*

19 (b) **Transit Center District Open Space Impact Fee.** Development impact fees are
20 an effective approach to mitigate impacts associated with growth in population. The proposed
21 Transit Center District Open Space Impact Fee shall be dedicated to fund public open space
22 improvements in the Transit Center District Plan Area and adjacent downtown areas that will
23 provide direct benefits to the property developed by those who pay into the fund, by providing
24 necessary open space improvements needed to serve new development.

25

1 The Planning Department has calculated the fee rate using accepted professional
2 methods for calculating such fees. The calculations are described fully in the Nexus Analysis,
3 Downtown Open Space Nexus Study, San Francisco Planning Department, Case No. 2007.0558U on
4 file with the Clerk of the Board in File No. 230764.

5 The proposed fee, in combination with the Downtown Park Fee established in Section
6 412 et seq., *is less than the maximum justified fee amount as calculated by the Downtown Open Space*
7 *Nexus Study is supported by the Nexus Analysis.* While no project sponsor would be required to
8 pay more than the maximum amount justified for that project as calculated in the Nexus
9 Study, the Transit Center District Open Space Fee is tiered such that denser projects are
10 assessed higher fees because it is economically feasible for such projects to pay a higher
11 proportion of the maximum justified amount. The proposed fee covers impacts caused by new
12 development only and is not intended to remedy existing deficiencies. The cost to remedy
13 existing deficiencies will be paid for by public, community, and other private sources as
14 described in the Downtown Open Space Nexus Study Nexus Analysis and the Transit Center
15 District Plan Program Implementation Document. Impact fees are only one of many revenue
16 sources funding open space in the Plan Area.

17
18 **SEC. 424.7.1. FINDINGS.**

19 (a) **General.** New development in the Transit Center District Plan area will create
20 substantial new burdens on existing streets and transportation systems and require the need
21 for new and enhanced transportation services and improvements to rights-of-way for all
22 modes of transportation. The downtown is a very dense urban environment with limited
23 roadway capacity and is already substantially congested and impacted by existing patterns of
24 movement. To accommodate the substantial growth anticipated in the Transit Center District
25 Plan Area, public transit investments must be made, circulation patterns adjusted, and limited

1 right-of-way space reallocated such that trips to and through the area are primarily made by
2 public transit, walking, bicycling, and carpooling and such that these modes are enabled to
3 maintain or improve efficiency and attractiveness in the face of increasing traffic congestion.
4 The Transit Center District Plan identified necessary investments and improvements to
5 achieve these modal objectives and ensure that growth in trips resulting from new
6 development and population increase in the Plan area does not degrade existing services.
7 The San Francisco Citywide Nexus Analysis (“Nexus Analysis”), ~~Transit Center District Plan~~
8 ~~Transportation Nexus Study, San Francisco Planning Department Case No. 2007.0558U~~ on file with
9 the Clerk of the Board in File No. 230764, calculated the proportional share of the cost of
10 these improvements attributable to new growth based on accepted professional standards.
11 The investments and improvements identified in the Transit Center District Plan and allocated
12 in the nexus study are distinct and in addition to improvements and services related to the
13 Transit Impact Development Fee (TIDF) imposed by Section 411 et seq. Whereas the TIDF
14 funds improvements to SFMTA Municipal Railway public transit services and facilities to
15 provide sufficient capacity required to serve new development, the Transit Center District
16 Transportation and Street Improvement Fee covers impacts of new development in the
17 District on regional transit services and facilities that are distinct from and in addition to the
18 need for SFMTA public transit services, and that will not be funded by the TIDF, including
19 necessary improvements to area streets to facilitate increases in all modes of transportation
20 due to development, including walking, bicycling, and carpooling, and to regional transit
21 facilities, including the Downtown Rail Extension and downtown BART stations. The Board
22 finds that there is no duplication in these two fees. To provide the City and County of San
23 Francisco and regional transit agencies with the financial resources to provide transportation
24 facilities and street improvements necessary to serve the burgeoning population of downtown
25 San Francisco, a Transit Center District Transportation and Street Improvement Fund shall be

1 established as set forth herein. The Board of Supervisors adopts the findings of the *Downtown*
2 *Open Space Nexus Study Nexus Analysis*, in accordance with the California Mitigation Fee Act,
3 Government Code Section 66001(a) *on file with the Clerk of the Board in File No. _____*.

4 (b) **Transit Center District Transportation and Street Improvement Impact Fee.**

5 Development impact fees are an effective approach to mitigate impacts associated with
6 growth in population. The proposed Transit Center District Transportation and Street
7 Improvement Impact Fee shall be dedicated to public transportation and public street
8 improvements in the Transit Center District Plan Area and adjacent downtown areas that will
9 provide direct benefits to the property developed by those who pay into the fund, by providing
10 necessary transportation and street improvements needed to serve new development.

11 The fee rate has been calculated by the Planning Department based on accepted
12 professional methods for the calculation of such fees, and described fully in the *Nexus Analysis*,
13 *Transit Center District Transportation and Street Improvement Nexus Study*. *San Francisco Planning*
14 *Department. Case No. 2007.0558U* on file with the Clerk of the Board in File No. 230764.

15 The proposed fee established in Sections 424.7 et seq., is less than the maximum
16 justified fee amount as calculated by the *Transit Center District Transportation and Street*
17 *Improvement Nexus Study Nexus Analysis* necessary to provide transportation and street
18 improvements to increasing population in the area. While no project sponsor would be
19 required to pay more than the maximum amount justified for that project as calculated in the
20 Nexus Study, the Transit Center District Transportation and Street Improvement Fee is tiered
21 such that denser projects are assessed higher fees because it is economically feasible for
22 such projects to pay a higher proportion of the maximum justified amount. The proposed fee
23 covers only the demand for transportation and street improvements created by new
24 development and is not intended to remedy existing deficiencies. The cost to remedy existing
25 deficiencies will be paid for by public, community, and other private sources as described in

1 the *Transit Center District Transportation and Street Improvement Nexus Study Nexus Analysis* and
2 the Transit Center District Plan Implementation Document. Impact fees are only one of many
3 revenue sources necessary to provide transportation and street improvements in the Plan
4 Area.

5
6 **SEC. 430. BICYCLE PARKING IN LIEU FEE.**

7 * * * *

8 (b) **Amount of Fee.** The amount of the in lieu fee shall be \$400 per Class 2 bicycle
9 parking space. This fee shall be adjusted pursuant to Sections 409 ~~and 410~~ of this Code.

10 * * * *

11
12 **SEC. 433.1. PURPOSE-AND FINDINGS.**

13 * * * *

14 (b) **Findings.** The Board of Supervisors has reviewed the San Francisco Citywide
15 Nexus Analysis ~~prepared by AECOM dated March 2014~~ ("Nexus Analysis"), ~~and~~ the San
16 Francisco Infrastructure Level of Service Analysis ~~prepared by AECOM dated March 2014, and~~
17 ~~the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, both~~ on file
18 with the Clerk of the Board in Files Nos. 230764 ~~150149 and 150790~~, and, under Section 401A,
19 adopts the findings and conclusions of those studies and the general and specific findings in
20 that Section, specifically including the Recreation and Open Space Findings, ~~Pedestrian and~~
21 ~~Streetseape~~ Complete Streets Findings, Childcare Findings, ~~Bicycle Infrastructure Findings~~, and
22 Transit Infrastructure Findings, and incorporates those by reference herein to support the
23 imposition of the fees under this Section.

1 **SEC. 435.1 PURPOSE-AND FINDINGS SUPPORTING UNION SQUARE PARK,**
2 **RECREATION, AND OPEN SPACE FEE.**

3 * * * *

4 (b) **Findings.** The Board of Supervisors has reviewed the *Downtown San Francisco*
5 *Park, Recreation, and Open Space Development Impact Fee Nexus Study, prepared by Hausrath dated*
6 *April 13, 2012 San Francisco Citywide Nexus Analysis (“Nexus Study Analysis”)*, on file with the
7 Clerk of the Board of Supervisors in File No. ~~230764180916~~. In accordance with the California
8 Mitigation Fee Act, Government Code Section 66001(a), the Board of Supervisors adopts the
9 findings and conclusions of that study, and incorporates those findings and conclusions by
10 reference to support the imposition of the fees under this Section.

11
12 Section 6. Effective Date. This ordinance shall become effective 30 days after
13 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
14 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
15 of Supervisors overrides the Mayor’s veto of the ordinance.

16
17 Section 7. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
18 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
19 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
20 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
21 additions, and Board amendment deletions in accordance with the “Note” that appears under
22 the official title of the ordinance.

23
24 Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word
25 of this ordinance, or any application thereof to any person or circumstance, is held to be

1 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
2 shall not affect the validity of the remaining portions or applications of the ordinance. The
3 Board of Supervisors hereby declares that it would have passed this ordinance and each and
4 every section, subsection, sentence, clause, phrase, and word not declared invalid or
5 unconstitutional without regard to whether any other portion of this ordinance or application
6 thereof would be subsequently declared invalid or unconstitutional.

7

8 Section 9. No Conflict with Federal or State Law. Nothing in this ordinance shall be
9 interpreted or applied so as to create any requirement, power, or duty in conflict with any
10 federal or state law.

11

12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney

14 By: /s/ Giulia Gualco-Nelson
15 GIULIA GUALCO-NELSON
16 Deputy City Attorney

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LEGISLATIVE DIGEST
(Substituted 7/11/23)

[Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers;
Adoption of Nexus Study]

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Existing Law

The Mitigation Fee Act (California Government Code Section 66000 et seq.) requires that public agencies make certain findings to support the imposition of development impact fees. Article 4 of the Planning Code contains the City's development impact fees. Many of these fees are assessed on a citywide or neighborhood basis for the following infrastructure categories: recreation and open space, childcare, streetscape and pedestrian infrastructure, bicycle infrastructure, and transit infrastructure. Planning Code Section 410 requires that the Planning Department and the Controller undertake a comprehensive evaluation of development fees every five years.

Pursuant to Planning Code Section 409, the Controller is charged with reviewing development impact fees and adjusting the fees annually on January 1. With the exception of the Inclusionary Affordable Housing Fee set forth in Planning Code Section 415 et seq., development impact fees are adjusted according to the Annual Infrastructure Construction

Cost Inflation Estimate (“AICCIE”). The applicable AICCIE rate is determined by the Office of the City Administrator’s Capital Planning Group.

The procedure for assessment and collection of development impact fees is set forth in Planning Code Section 402 and Building Code Section 107A.13. Currently, development impact fees are assessed at time of building permit or site permit, and payment of the fees is due prior to the issuance of the first construction document. Fees continue to escalate per the AICCIE until the project sponsor pays the fees. Previously, under Building Code Section 107A.13.3, developers could defer payment of development impact fees until time of first certificate of occupancy, upon payment of a deferral fee surcharge. That deferral program expired on July 1, 2013.

Amendments to Current Law

This ordinance would modify the indexing, assessment, and time of payment for development impact fees; waive fees for certain development projects in the C-2 and PDR Districts; and adopt the Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure.

Development Fee Indexing (Planning Code Section 409):

The ordinance would replace the existing AICCIE method of annual fee escalation with a flat 2% escalation rate. The ordinance would not change indexing of the inclusionary housing fee (Section 415 et seq.).

Development Fee Assessment (Planning Code Section 402(e)):

The ordinance would freeze the applicability and rates of development impact fees, with the exception of inclusionary housing fees under Section 415 et seq., at the following milestones:

Project Type	Fee Assessment Milestone
Projects approved after the effective date of ordinance	No further fee escalation or applicable new fees after time of Final Approval, as defined in the ordinance
Projects approved, but have not yet received site permit, before the effective date of ordinance	No further fee escalation or applicable new fees after the effective date of the ordinance
Projects that received first site or building permit before effective date of ordinance	Fees assessed at time of first site or building permit
Projects subject to a development agreement executed before the effective date of ordinance	Fees assessed pursuant to the development agreement and no later than the earlier of site or building permit issuance
Projects subject to a development agreement executed on or after the effective date of ordinance	Fees assessed at the earlier of site or building permit issuance, unless otherwise agreed by the parties

This ordinance would provide that in the event of a conflict between Section 402 and a development agreement, the terms of the development agreement shall govern.

Development Fee Reassessment for Project Modifications, Extensions, and Renewals (Planning Code Section 402(e)):

If a development project requires a modification, renewal, or extension, the ordinance would prescribe procedures for reassessing development impact fees, with the exception of inclusionary housing fees under Section 415 et seq. A legislatively-authorized reduction in fees would not trigger reassessment of fees for the project, unless such a project also requires a modification, renewal, or extension.

In the event of a modification, renewal, or extension, the Planning Department would reassess fees as follows:

Project Type	Reassessment
Projects increasing Gross Floor Area of a use	Types of fees in effect at time of Project Approval would continue to apply, but rates of fees in effect at time of modification would be assessed on the new or additional Gross Floor Area
Projects reducing Gross Floor Area	Types and rates of fees in effect at time of Final Approval assessed on the remaining Gross Floor Area
Projects increasing or reducing Gross Floor Area that trigger applicability of new fees or different rates	Entire project square footage is subject to the types of fees in effect at time Final Approval, but rate in effect at the time of modification would apply
Projects receiving a renewal or extension	Types and rates of fees in effect at time of modification assessed on the entire project square footage

The procedures governing reassessment after modification, renewal, or extension would also apply to projects subject to a development agreement, unless the development agreement provides otherwise.

Development Fee Collection (Building Code Section 107A.13.3.1 and Planning Code Section 403):

The ordinance would enable project sponsors to defer payment of development impact fees, with the exception of fees that must be deposited into the Citywide Affordable Housing Fund. Specifically, the ordinance would:

- require payment of 15 to 20% of the total development impact fees prior to issuance of the first construction document;

- allow a project sponsor to defer payment of the balance of development impact fees prior to issuance of the first certificate of occupancy;
- provide that fee deferral is available to project sponsors that have not yet paid a development impact fee as of the effective date of this ordinance, notwithstanding a condition of approval that required the fee to be paid prior to issuance of the first construction document;
- provide that projects subject to a development agreement are also eligible for fee deferral, unless the parties agree otherwise.

Development Impact Fee Waivers for PDR, C-2, and C-3 Districts (Planning Code Section 406):

This ordinance would also waive development impact fees for projects in the PDR Districts that meet certain square footage and location requirements, contain no residential uses, and submit a complete Development Application on or before December 31, 2026, including any projects that obtain final approval prior to the effective date of the ordinance that have not already paid development impact fees. In the PDR Districts, the fee waiver would be limited to square footage devoted to Retail or PDR Uses.

In the C-2 and C-3 Districts, development impact fee waivers would be limited to square footage devoted to any of the following uses: Hotel, Restaurant, Bar, Outdoor Activity, or Entertainment. The waivers would be available to projects that submit a complete Development Application on or before December 31, 2026, including any projects that obtain final approval prior to the effective date of the ordinance that have not already paid development impact fees.

Citywide Nexus Analysis Adoption and Code Updates:

The ordinance would adopt the Nexus Analysis and the San Francisco Infrastructure Level of Service Analysis prepared by Hatch Associates Consultants, Inc., dated December 2021 (collectively "Nexus Study"), which support existing Citywide and neighborhood specific development impact fees for four infrastructure categories: recreation and open space, childcare, complete streets, and transit infrastructure. The ordinance contains findings that the Nexus Study satisfies the requirements of the Mitigation Fee Act. This ordinance would make conforming revisions to Article 4 of the Planning Code to reflect the updated Nexus Study.

This ordinance does not establish, increase, or impose a development impact fee for the purpose of the Mitigation Fee Act.

This ordinance does not modify any aspect of the Inclusionary Affordable Housing Fee, set forth in Planning Code section 415 et seq.

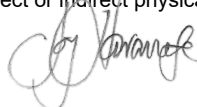
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: June 30, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230764
Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers;
Adoption of Nexus Study

- California Environmental Quality Act (CEQA) Determination Not defined as a project under CEQA Guidelines Sections 15378 and 16070(c)(2) because it would not result in a direct or indirect physical change in the environment.
(California Public Resources Code, Sections 21000 et seq.)
- Ordinance / Resolution
 Ballot Measure
- 06/30/2023 
- Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
- General Plan Planning Code, Section 101.1 Planning Code, Section 302
- Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)
- General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- Historic Preservation Commission
- Landmark (Planning Code, Section 1004.3)
- Cultural Districts (Charter, Section 4.135 & Board Rule 3.23)
- Mills Act Contract (Government Code, Section 50280)
- Designation for Significant/Contributory Buildings (Planning Code, Article 11)

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.



BUILDING INSPECTION COMMISSION (BIC)

Department of Building Inspection

49 South Van Ness Avenue, 5th Floor San Francisco, California 94103

Voice (628) 652 -3510

July 19, 2023

London N. Breed
Mayor

COMMISSION

Alysabeth Alexander-
Tut
Interim President

Evita Chavez
Bianca Neumann
Earl Shaddix
Angie Sommer
Kavin Williams

Ms. Angela Calvillo
Clerk of the Board
Board of Supervisors, City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4694

Dear Ms. Calvillo:

RE: File No. 230764-2

Sonya Harris
Secretary

Monique Mustapha
Asst. Secretary

Patrick O'Riordan,
C.B.O., Director

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

The Code Advisory Committee (CAC) considered this Ordinance on July 12, 2023. The CAC voted to recommend that the Building Inspection Commission (BIC) recommend approval of this Ordinance as written.

The Building Inspection Commission met and held a public hearing on July 19, 2023 regarding the proposed amendments to the Building Code contained in Board File No. 230764-2. The Commissioners voted unanimously to **recommend approval of the ordinance.**

Interim President Alexander-Tut Yes

Commissioner Chavez Yes

Commissioner Neumann Yes

Commissioner Shaddix Yes

Commissioner Sommer Yes

Commissioner William Yes

Should you have any questions, please do not hesitate to call me at (628) 652-3510.

Sincerely,

Monique Mustapha
Commission Secretary

cc: Patrick O’Riordan, Director
Mayor London N. Breed
Board of Supervisors



July 14, 2023

Ms. Angela Calvillo, Clerk
Honorable Mayor Breed
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2023-005461PCA:
Impact Fee Ordinance
Board File No. 230764

Planning Commission Recommendation: Approval with Modification

Dear Ms. Calvillo and Mayor Breed,

On July 13, 2023, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Breed that would amend Planning Code to modify the annual indexing of certain development impact fees, except for inclusionary housing fees, in addition to other related amendments. At the hearing the Planning Commission recommended approval with modification.

The Commission's proposed modifications were as follows:

1. Eliminate development impact fees assessed on changes of use throughout the Planning Code.

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

Mayor Breed, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron D. Starr". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Aaron D. Starr
Manager of Legislative Affairs

cc: Giulia Gualco-Nelson, Deputy City Attorney
Lisa Gluckstein, Aide to Mayor Breed
Erica Major, Office of the Clerk of the Board

Attachments :

Planning Commission Resolution

Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21354

HEARING DATE: JULY 13, 2023

Project Name: Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus
Case Number: 2023-005461PCA [Board File No. 230764]
Initiated by: Mayor Breed / Introduced June 27, 2023; Substituted July 11, 2023
Staff Contact: Daniel A. Sider, AICP
dan.sider@sfgov.org, 628-652-7539

RESOLUTION APPROVING WITH MODIFICATION A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE TO 1) MODIFY THE ANNUAL INDEXING OF CERTAIN DEVELOPMENT IMPACT FEES, WITH THE EXCEPTION OF INCLUSIONARY HOUSING FEES; 2) PROVIDE THAT THE TYPE AND RATES OF APPLICABLE DEVELOPMENT IMPACT FEES, WITH THE EXCEPTION OF INCLUSIONARY HOUSING FEES, SHALL BE DETERMINED AT THE TIME OF PROJECT APPROVAL; 3) EXEMPT ELIGIBLE DEVELOPMENT PROJECTS IN PDR (PRODUCTION, DISTRIBUTION, AND REPAIR) DISTRICTS AND THE C-2 (COMMUNITY BUSINESS) DISTRICT AND C-3 (DOWNTOWN) DISTRICTS FROM ALL DEVELOPMENT IMPACT FEES FOR A THREE-YEAR PERIOD; 4) ALLOW PAYMENT OF DEVELOPMENT IMPACT FEES, WITH THE EXCEPTION OF FEES DEPOSITED IN THE CITYWIDE AFFORDABLE HOUSING FUND, TO BE DEFERRED UNTIL ISSUANCE OF THE FIRST CERTIFICATE OF OCCUPANCY; AND 5) ADOPT THE SAN FRANCISCO CITYWIDE NEXUS ANALYSIS SUPPORTING EXISTING DEVELOPMENT IMPACT FEES FOR RECREATION AND OPEN SPACE, CHILDCARE FACILITIES, COMPLETE STREETS, AND TRANSIT INFRASTRUCTURE AND MAKING CONFORMING REVISIONS TO ARTICLE 4 OF THE PLANNING CODE; AMENDING THE BUILDING CODE TO ALLOW PAYMENT OF DEVELOPMENT IMPACT FEES, WITH THE EXCEPTION OF FEES DEPOSITED IN THE CITYWIDE AFFORDABLE HOUSING FUND, TO BE DEFERRED UNTIL ISSUANCE OF THE FIRST CERTIFICATE OF OCCUPANCY AND REPEALING THE FEE DEFERRAL SURCHARGE; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE PURSUANT TO PLANNING CODE, SECTION 302.

WHEREAS, on June 27, 2023 Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 230764, which would amend the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts and the C-2 (Community Business) District and C-3 (Downtown) Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department’s determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302;

WHEREAS, on July 11, 2023 Mayor Breed introduced substitute legislation containing differences from the June 27 proposed Ordinance that primarily (a) relate to the three-year development impact fee exemption in the C (Commercial) Districts and (b) provide technical and other clarifying language; and

WHEREAS, the Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance as substituted on July 11 on July 13, 2023; and,

WHEREAS, the proposed Ordinance is not defined as a project under CEQA Guidelines Section 15060© and 15378; and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the Custodian of Records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves with modifications** the proposed ordinance. The Commission’s proposed modifications are those recommended by the Director of the Office of Small Business at the July 13 public hearing. Specifically, and in order spur economic activity, encourage innovation, and fill the City’s many commercial vacancies, the Commission recommends that the proposed Ordinance be

amended to eliminate development impact fees assessed on changes of use. Those particular impact fees, and the related Planning Code sections, include but aren't necessarily limited to the following:

- Eastern Neighborhoods Infrastructure Impact Fee (Mission District, Central Waterfront, SOMA, Showplace)
 - Section 423.3(c)(2), Table 423.3B
- Balboa Park Community Improvements Impact Fee
 - Section 422.3(c) (2), Table 422.3A
- Central SOMA Community Services Facilities Fee
 - Section 432.2(b)(1) and 432.2(b)(2)
- Central SOMA Infrastructure Impact Fee
 - Section 433
- Market and Octavia Community Improvements Impact Fee
 - Section, 421.3(c) (2), Table 421.3B
- Market and Octavia Area Plan and Upper Market NCT Affordable Housing Fee
 - Section 416.3A
- Rincon Hill Community Infrastructure Impact Fee
 - Section 418.3(c) (2), Table 418.3B
- Visitacion Valley Community Facilities & Infrastructure Fee
 - Section 420.3B
- Jobs Housing Linkage Fee (citywide fee)
 - Table 413.5B
- UMU Housing Requirements
 - Section 419
- Transit Center District Open Space
 - Section 426
- Transit Center Street Improvements
 - Section 424.7.2
- Van Ness & Market Community Facilities
 - Section 425
- Divisadero NCT Affordable Housing Fee
 - Section 428.3
- Eastern Neighborhoods Affordable Housing Requirement
 - Section 417

Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance makes changes to the way that the City sets, imposes, and collects impact fees. Importantly, it creates predictability and stability by setting a flat rate at which impact fees increase over time, assigns and stabilizes fees upon project approval, and reinstates a fee deferral program to allow projects to pay

their fees immediately prior to the project being ready for occupancy. The legislation also waives fees for certain commercial developments as part of the City's economic recovery efforts.

The proposed Ordinance complements another piece of proposed legislation (2023-005422PCA / BF 230769, also before the Commission on July 13) that would implement the Affordable Housing Technical Advisory Committee's (TAC) recommendations regarding the inclusionary housing program. As introduced, this corresponding proposal provides a one-third discount on all impact fees aside from the base inclusionary housing fee for (1) projects approved before 11/1/23 so long as a first construction document is issued before 5/1/29 and (2) projects approved between 11/1/23 and 11/1/26 so long as a first construction document is issued within 30 months of project approval.

Both pieces of legislation are intended to make development more predictable, easier, and more financially feasible in order to accomplish the City's housing goals as set forth in the recently adopted Housing Element.

Currently, most impact fees are increased each year by the Annual Infrastructure Construction Cost Inflation Estimate (AICCIE). This is an index that is produced by the City's Office of Resilience and Capital Planning and is a projected rate of construction cost escalation for the upcoming calendar year, used primarily to inform cost estimates for future capital projects in the 2-Year Capital Budget and 10-Year Capital Plan. The AICCIE relies on past construction cost inflation data, market trends, and a variety of national, state, and local commercial and institutional construction cost inflation indices. Since 2010, the AICCIE has fluctuated between 3 percent and 6 percent annually.

While useful for capital planning and budgeting, current Code provisions requiring that this index be used to index impact fees can result in unpredictable and high annual escalation. Project sponsors have no foresight into how much the fees may increase each year. In many cases, fees are often significantly higher at the time of payment - after several years of escalation - than they would have been when a project was approved. Impact fees have escalated by more than 30% in the last 5 years alone. The proposed Ordinance escalates development impact fees at a flat 2% rate each year, which would provide certainty about what the fee rates will be in future years to both the projects that pay these fees as well as the City departments that spend the fees. The flat 2% rate increase would generally keep-up with inflation.

The proposed Ordinance makes impact fee assessments constant and reliable. Specifically, fee amounts would be established and then locked-in when a project is approved by the Planning Department or Commission, as opposed to the current requirement that impact fees continually escalate annually until issuance of a first construction document.

This would provide additional certainty for projects at the time they are approved, since impact fees would otherwise continue to escalate unpredictably during a subsequent permitting process that can in some cases take years.

The proposed Ordinance reinstates the fee deferral program (contained in Section 107A.13.3 of the Building Code), allowing projects to pay impact fees after construction and immediately prior to occupancy, instead of before construction as is currently required. While the Building Code contains provisions setting forth a fee deferral program that was widely used between 2010-2013 during the City's recovery from the Great Recession, "sunset" language in both the Planning and Building Codes makes the program inoperative. The reactivated

deferral program would depart from the earlier program in two important ways: (1) the earlier program's "fee deferral surcharge" – which is contained in the Building Code as a de facto interest charge - would be eliminated and (2) Inclusionary Affordable Housing Impact Fees would be ineligible to be deferred through the program.

In the current high interest rate environment, reinstating the fee deferral program would result in significant savings on financing costs, rendering more development projects financially feasible and able to move forward, providing housing, jobs, and tax revenue for the City. The City's Economic Recovery Task Force convened in 2020 to identify strategies for supporting our economic recovery from the Covid-19 pandemic and recommended reinstating the fee deferral program. Elimination of the surcharge and exempting affordable housing fees would increase the efficacy of the fee deferral program while also reflecting the immediacy of the need to collect impact fees dedicated to affordable housing.

The proposed Ordinance exempts certain types of non-residential development projects from paying impact fees for the next three years as the City's economic recovery from the Covid-19 pandemic continues. These include projects on lots with less than .25 FAR of existing development that add between 20,000 and 200,00 gross square feet of either (1) retail or industrial uses on PDR-zoned lots or (2) hotel, restaurant, bar, outdoor activity, and entertainment uses on C-2-zoned lots.

This narrow, three-year waiver would encourage investment in these important businesses as high costs and rising interest rates continue to challenge local businesses and entrepreneurs. Rising interest rates and high construction costs have created challenges for previously approved projects to secure financing and initiate construction, thus delaying the job opportunities and other community benefits associated with these developments.

The proposed Ordinance could result in a modest reduction to the total theoretical amount of impact fee revenue the City could expect to receive from the development pipeline. Additionally, reactivation of the fee deferral program could result in impact fee revenue being received by the City later in time than would otherwise be expected. However, if the proposed Ordinance has its intended effect of stimulating and accelerating development, it would compensate for both of these potential effects – perhaps even more than offsetting them - resulting in increased fee revenue being received by the City earlier in time.

The measures in the proposed Ordinance are intended to make development more predictable, easier, and more financially feasible, which would contribute to the City's recovery from the pandemic and supplement efforts to accomplish the policy goals outlined in the Housing Element.

The Commission supports the goals and measures outlined in the proposed Ordinance, which would provide reliability and predictability for developers, the City staff collecting fees, and the City staff budgeting and spending the fee revenue. Importantly, the proposal would stimulate and accelerate development in San Francisco by locking-in impact fee rates and deferring when fees are paid. This proposed Ordinance is an important component in satisfying the obligations set out in the City's Housing Element.

General Plan Compliance

The proposed Ordinance is consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

OBJECTIVE 4.A

SUBSTANTIALLY EXPAND THE AMOUNT OF PERMANENTLY AFFORDABLE HOUSING FOR EXTREMELY LOW- TO MODERATE-INCOME HOUSEHOLDS.

OBJECTIVE 4.B

EXPAND SMALL AND MID-RISE MULTI-FAMILY HOUSING PRODUCTION TO SERVE OUR WORKFORCE, PRIORITIZING MIDDLE-INCOME HOUSEHOLDS.

OBJECTIVE 4.C

EXPAND AND DIVERSIFY HOUSING TYPES FOR ALL.

The proposed Ordinance is designed to create more certainty in the development process, and also to create an environment more conducive to project feasibility. In doing so, a greater number of projects are likely to be built and thus a greater number of projects would pay impact fees, especially impact fees that provide funds for the construction of permanently affordable housing at a range of affordability levels.

IMPLEMENTING PROGRAMS

REDUCING CONSTRAINTS ON HOUSING DEVELOPMENT, MAINTENANCE, AND IMPROVEMENT

Policy 8.1.3

Modify requirement to collect impact fees upon issuance of a Certificate of Final Completion and Occupancy instead of issuance of building permit, in order to support small and mid-size multifamily housing projects.

By reactivating the fee deferral program, the proposed Ordinance does exactly this.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

OBJECTIVE 4

PROMOTE AND ATTRACT THOSE ECONOMIC ACTIVITIES WITH POTENTIAL BENEFIT TO THE CITY.

POLICY 4.2.

Promote and attract those economic activities with potential benefit to the City.

OBJECTIVE 8

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL CENTER FOR CONVENTIONS AND VISITOR TRADE.

POLICY 8.1

Guide the location of additional tourist related activities to minimize their adverse impacts on existing residential, commercial, and industrial activities.

By providing industrial uses and hospitality-oriented uses in the C-2 District – which includes many of the City’s tourist-oriented waterfront-adjacent areas – a time-limited impact fee waiver, the proposed Ordinance would promote both industrial activity and our visitor and tourism economy.

Planning Code Section 101 Findings

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and would not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The proposed Ordinance would not have a negative effect on housing or neighborhood character. On the contrary, it would help makes new housing at all levels of affordability more feasible.

3. That the City’s supply of affordable housing be preserved and enhanced;

By making projects feasible that wouldn’t otherwise be feasible, the proposed Ordinance would lead to the collection of impact fees that might not otherwise be collected and would lead to increased funding to grow the City’s supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The proposed Ordinance would not cause displacement of the industrial or service sectors, and future opportunities for resident employment or ownership in these sectors would not be impaired. By providing a time-limited waiver of impact fees for certain industrial uses, the City’s industrial base would be

enhanced.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an adverse effect on the City's Landmarks or historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

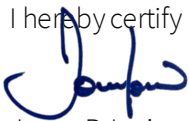
The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas. On the contrary, it could lead to increased impact fee revenues dedicated for park maintenance and expansion.

Planning Code Section 302 Findings.

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 13, 2023.



Jonas P. Ionin
Commission Secretary

AYES: Ruiz, Braun, Diamond, Koppel, Tanner

NOES: Imperial

ABSENT: Moore

ADOPTED: July 13, 2023



EXECUTIVE SUMMARY

PLANNING CODE TEXT AMENDMENT

HEARING DATE: July 13, 2023

90-Day Deadline: September 28, 2023

Project Name: Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus
Case Number: 2023-005461PCA [Board File No. 230764]
Initiated by: Mayor London N. Breed / Introduced June 27, 2023
Staff Contact: Daniel A. Sider, AICP
dan.sider@sfgov.org, 628-652-7539

Recommendation: Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code’s development impact fee requirements [excepting the Inclusionary Housing Fee] to 1) modify annual impact fee indexing; 2) “lock-in” impact fees from the time of project approval; and 3) reactivate the City’s now-expired impact fee deferral program.

The proposed Ordinance would also (a) exempt certain development projects in PDR (Production, Distribution, and Repair) Zoning Districts and the C-2 (Community Business) Zoning District from all impact fees for a three-year period and (b) adopt the most recent city-wide nexus analysis.

The Way It Is Now:

1. Impact fees are adjusted annually on January 1 by the Annual Infrastructure Construction Cost Increase Estimate (AICCIE), with the exception of the Inclusionary Housing Fee that is subject to a different adjustment methodology.
2. Once assessed for a given project, impact fees increase annually on January 1 until a first construction

document for that project has been issued.

3. Impact fees are due upon issuance of a first construction document.
4. All non-residential development projects are required to pay impact fees in all Zoning Districts.
5. Planning Code provisions relating to impact fees refer to an outdated nexus study from 2014.

The Way It Would Be:

1. Instead of the AICCIE, impact fees other than the Inclusionary Housing Fee would be annually increased on January 1 by a flat 2%.
2. Impact fees other than the Inclusionary Housing Fee would be “locked-in” at the amounts assessed upon project approval rather than continuing to increase every January 1 until the issuance of a first construction document.
3. Payment of impact fees other than the Inclusionary Housing Fee could be deferred until first certificate of occupancy. This would reactivate and modify a program that sunset in 2013.
4. New retail and industrial projects in the City’s PDR Zoning Districts, as well as projects with hotel, entertainment, bar, and open space uses in the City’s C-2 Districts, would be exempt from paying impact fees for the next three years.
5. The Planning Code would refer to an updated San Francisco Citywide Nexus Analysis, which provides legal rationale for imposing impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure.

Issues and Considerations

The proposed Ordinance makes changes to the way that the City sets, imposes, and collects impact fees. Importantly, it creates predictability and stability by setting a flat rate at which impact fees increase over time, assigns and stabilizes fees upon project approval, and reinstates a fee deferral program to allow projects to pay their fees immediately prior to the project being ready for occupancy. The legislation also waives fees for certain commercial developments as part of the City’s economic recovery efforts.

The proposed Ordinance complements another piece of proposed legislation (2023-005422PCA / BF 230769, also before the Commission on July 13) that would implement the Affordable Housing Technical Advisory Committee’s (TAC) recommendations regarding the inclusionary housing program. As introduced, this corresponding proposal provides a one-third discount on all impact fees aside from the base inclusionary housing fee for (1) projects approved before 11/1/23 so long as a first construction document is issued before 5/1/29 and (2) projects approved between 11/1/23 and 11/1/26 so long as a first construction document is issued within 30 months of project approval.

Both pieces of legislation are intended to make development more predictable, easier, and more financially feasible in order to accomplish the City's housing goals as set forth in the recently adopted Housing Element.

The following are key issues and considerations relating to the proposed impact fee Ordinance's modifications to the way the City sets, imposes, and collects impact fees.

1. Currently, most impact fees are increased each year by the Annual Infrastructure Construction Cost Inflation Estimate (AICCIE). This is an index that is produced by the City's Office of Resilience and Capital Planning and is a projected rate of construction cost escalation for the upcoming calendar year, used primarily to inform cost estimates for future capital projects in the 2-Year Capital Budget and 10-Year Capital Plan. The AICCIE relies on past construction cost inflation data, market trends, and a variety of national, state, and local commercial and institutional construction cost inflation indices. Since 2010, the AICCIE has fluctuated between 3 percent and 6 percent annually.

While useful for capital planning and budgeting, current Code provisions requiring that this index be used to index impact fees can result in unpredictable and high annual escalation. Project sponsors have no foresight into how much the fees may increase each year. In many cases, fees are often significantly higher at the time of payment - after several years of escalation - than they would have been when a project was approved. Impact fees have escalated by more than 30% in the last 5 years alone. The proposed Ordinance escalates development impact fees at a flat 2% rate each year, which would provide certainty about what the fee rates will be in future years to both the projects that pay these fees as well as the City departments that spend the fees. The flat 2% rate increase would generally keep-up with inflation.

2. The proposed Ordinance makes impact fee assessments constant and reliable. Specifically, fee amounts would be established *and then locked-in* when a project is approved by the Planning Department or Commission, as opposed to the current requirement that impact fees continually escalate annually until issuance of a first construction document.

This would provide additional certainty for projects at the time they are approved, since impact fees would otherwise continue to escalate unpredictably during a subsequent permitting process that can in some cases take years.

3. The proposed Ordinance reinstates the fee deferral program (contained in Section 107A.13.3 of the Building Code), allowing projects to pay impact fees after construction and immediately prior to occupancy, instead of before construction as is currently required. While the Building Code contains provisions setting forth a fee deferral program that was widely used between 2010-2013 during the City's recovery from the Great Recession, "sunset" language in both the Planning and Building Codes makes the program inoperative. The reactivated deferral program would depart from the earlier program in two important ways: (1) the earlier program's "fee deferral surcharge" - which is contained in the Building Code as a de facto interest charge - would be eliminated and (2) Inclusionary Affordable Housing Impact Fees would be ineligible to be deferred through the program.

In the current high interest rate environment, reinstating the fee deferral program would result in

significant savings on financing costs, rendering more development projects financially feasible and able to move forward, providing housing, jobs, and tax revenue for the City. The City's Economic Recovery Task Force convened in 2020 to identify strategies for supporting our economic recovery from the Covid-19 pandemic and recommended reinstating the fee deferral program. Elimination of the surcharge and exempting affordable housing fees would increase the efficacy of the fee deferral program while also reflecting the immediacy of the need to collect impact fees dedicated to affordable housing.

4. The proposed Ordinance exempts certain types of non-residential development projects from paying impact fees for the next three years as the City's economic recovery from the Covid-19 pandemic continues. These include projects on lots with less than .25 FAR of existing development that add between 20,000 and 200,00 gross square feet of either (1) retail or industrial uses on PDR-zoned lots or (2) hotel, restaurant, bar, outdoor activity, and entertainment uses on C-2-zoned lots.

This narrow, three-year waiver would encourage investment in these important businesses as high costs and rising interest rates continue to challenge local businesses and entrepreneurs. Rising interest rates and high construction costs have created challenges for previously approved projects to secure financing and initiate construction, thus delaying the job opportunities and other community benefits associated with these developments.

The proposed Ordinance could result in a modest reduction to the total theoretical amount of impact fee revenue the City could expect to receive from the development pipeline. Additionally, reactivation of the fee deferral program could result in impact fee revenue being received by the City later in time than would otherwise be expected. However, if the proposed Ordinance has its intended effect of stimulating and accelerating development, it would compensate for both of these potential effects – perhaps even more than offsetting them - resulting in increased fee revenue being received by the City earlier in time.

The measures in the proposed Ordinance are intended to make development more predictable, easier, and more financially feasible, which would contribute to the City's recovery from the pandemic and supplement efforts to accomplish the policy goals outlined in the Housing Element.

General Plan Compliance

On balance, the proposed Ordinance is consistent with the General Plan, and was drafted in part to implement policies contained in the Housing Element.

Racial and Social Equity Analysis

It is difficult to tie the proposed Ordinance to a negative or positive impact in advancing the City's racial and social equity goals. In general, the proposed changes are intended to stimulate development in order to provide more housing, accommodate more businesses and jobs, and grow the local economy and tax base. These benefits would accrue broadly to San Francisco and are unlikely to impact any particular racial or social group.

Implementation

The proposed Ordinance would add a slight amount of time and complexity when assessing impact fees, especially for projects that enroll in the reactivated fee deferral program, although some of this impact would be

mitigated through the removal of the requirement that approved, pre-construction projects have their fees indexed every year. Regardless, the proposed changes can be implemented without increasing permit costs or meaningfully adding to review time.

Recommendation

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

Basis for Recommendation

The Department supports the goals and measures outlined in the proposed Ordinance, which would provide reliability and predictability for developers, the City staff collecting fees, and the City staff budgeting and spending the fee revenue. Importantly, the proposal would stimulate and accelerate development in San Francisco by locking-in impact fee rates and deferring when fees are paid. This proposed Ordinance is an important component in satisfying the obligations set out in the City's Housing Element.

Required Commission Action

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

Environmental Review

The proposed Ordinance is not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because it would lead to no direct or indirect physical change in the environment.

Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 230764



1/27/2022

Angela Calvillo, Clerk of the Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: **Citywide Infrastructure Nexus Analysis Update**

Dear **Ms. Calvillo**:

Pursuant to the San Francisco Planning Code Section 410, an update to the citywide infrastructure nexus analysis has been completed. Please include the enclosed nexus analysis in Board of Supervisors file nos. 150149 and 150790.

Consistent with the legal requirements of the California Mitigation Fee Act, Government Code Sections 66000 et seq., the City prepares nexus studies that document the nexus, or relationship, between new development in the City and the need for additional facilities to serve the demand that comes with new growth, periodically. The attached Citywide Infrastructure Nexus Analysis (“Nexus Analysis”) for San Francisco has been prepared by Hatch Associates Consultants, Inc. Six infrastructure categories are included in the Nexus Analysis: recreational and open space, child care, complete streets, transit, library, and fire stations. This Nexus Analysis update accompanies the Infrastructure Level of Service Analysis (“LOS Analysis”) also prepared by Hatch, which studied the current levels at which various infrastructure elements are provided across the City.

This study is an update to the most recent Citywide Infrastructure and Sustainable Transportation Fee studies that were completed in 2014 and 2015, respectively. This study satisfies the requirements of Section 410 of the City Planning Code, which requires that all nexus studies be updated on a five-year basis. This Nexus Analysis provides justification for most of the City’s development impact fees for infrastructure. It does not provide support for the affordable housing and community stabilization fees, which are covered by separate studies.

This memorandum and supporting documents are provided to you as background information and in support of the current impact fees. No changes to any impact fees infrastructure categories are proposed at this time, and there is no action you need to take with regard to this Nexus Analysis or LOS Analysis at this time. Please feel free to reach out to Lily Langlois, Principal Planner, at lily.langlois@sfgov.org or 628.652.7472 if you have any

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questions about these documents.

Attachments:

- [2021 Citywide Infrastructure Nexus Analysis](#)
- [2021 Infrastructure Level of Service Analysis](#)



San Francisco Infrastructure Nexus Analysis

DECEMBER 2021

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Acronyms

ACS.....	American Community Survey
AICCIE.....	Annual Infrastructure Construction Cost Inflation Estimate
BART.....	Bay Area Rapid Transit
BSP.....	Better Streets Plan
CIP.....	Capital Improvement Program
CPC.....	Capital Planning Committee
DCYF.....	Department of Children, Youth and Their Families
DTX.....	Downtown Extension
EMS.....	Emergency Medical Services
FAR.....	Floor Area Ratio
GSF.....	Gross Square Feet
LEHD.....	Longitudinal Employer-Household Dynamics
LOS.....	Level of Service
PDR.....	Production, Distribution, and Repair
SFDPW.....	San Francisco Department of Public Works
SFFD.....	San Francisco Fire Department
SFHSA.....	San Francisco Human Services Agency
SFMTA.....	San Francisco Municipal Transportation Agency
SFOECE.....	San Francisco Office of Early Care and Education
SFPL.....	San Francisco Public Library
SFRPD.....	San Francisco Recreation and Parks Department
SOGR.....	State Of Good Repair
SPU.....	Service Population Unit(s)
SUD.....	Special Use District
TIDF.....	Transportation Impact Development Fee
TSF.....	Transportation Sustainability Fee

1 Introduction

In 2019, the San Francisco Planning Department, the Office of Resilience and Capital Planning, and the City Attorney’s Office retained Hatch Consulting to update the nexus analysis for the City and County of San Francisco (“City”). This nexus analysis update accompanies the *2021 San Francisco Infrastructure Level of Service Analysis* report also prepared by Hatch, which established the levels at which various infrastructure elements are provided across the City. The level of service (“LOS”) targets for infrastructure presented in this report build directly on the standards developed as part of the *2021 San Francisco Infrastructure Level of Service Analysis* report, as well as existing nexus studies for certain infrastructure types in San Francisco.

1.1 Report Purpose

The purpose of this report is to document the nexus, or relationship, between new development in the City and the need for additional facilities for: recreational and open space, child care, complete streets, transit, library, and fire department infrastructure. As new residential and non-residential development occurs, it brings an increased demand for new (or expanded and improved) community infrastructure. This analysis measures the need for community infrastructure using a methodology that meets the requirements for development impact fees under applicable law, including the California Mitigation Fee Act. The analysis estimates the impacts created by new development on the City’s needs for new facilities and community infrastructure that contribute to the livability and overall quality of life in San Francisco.

The citywide nexus analysis, building upon existing adopted nexus studies, aims to develop an objective methodology for evaluating impact fees, thus justifying the City’s future administration of impact fees, and meet the requirements of Article 4 of the Planning Code.

This study satisfies the requirements of Section 410 of the City Planning Code, which requires that all nexus studies be updated on a five-year basis: the nexus analysis presented in this report aims to justify most impact fees in Article 4 of the Planning Code going forward, except those pertaining to affordable housing and community stabilization. The nexus analysis complies with the requirements of California’s Mitigation Fee Act, and state and federal constitutional law.

1.1.1 Report Structure

The remainder of the introduction will provide background on nexus fees, catalogue San Francisco’s existing impact fees, outline the nexus fee determination methodology, and summarize the maximum supportable nexus fees. The following chapters of the report address each of the six infrastructure elements: (1) recreational and open space, (2) child care, (3) complete streets, (4) transit, (5) library, and (6) fire department infrastructure.

1.2 Background on Development Impact Fee Programs

Although local governments began charging impact fees in the 1920s as a way to finance infrastructure, in 1987, the California legislature passed the Mitigation Fee Act (Assembly Bill 1600 or the Act) to establish principles governing impact fee exactions and, to some extent, codify existing constitutional requirements. Government Code Sections 66000-66025 establish legal requirements to implement a development fee program for fees that meet the terms of the Act. According to the Act, to establish a development fee program, a jurisdiction must legislatively accept a nexus study that identifies:

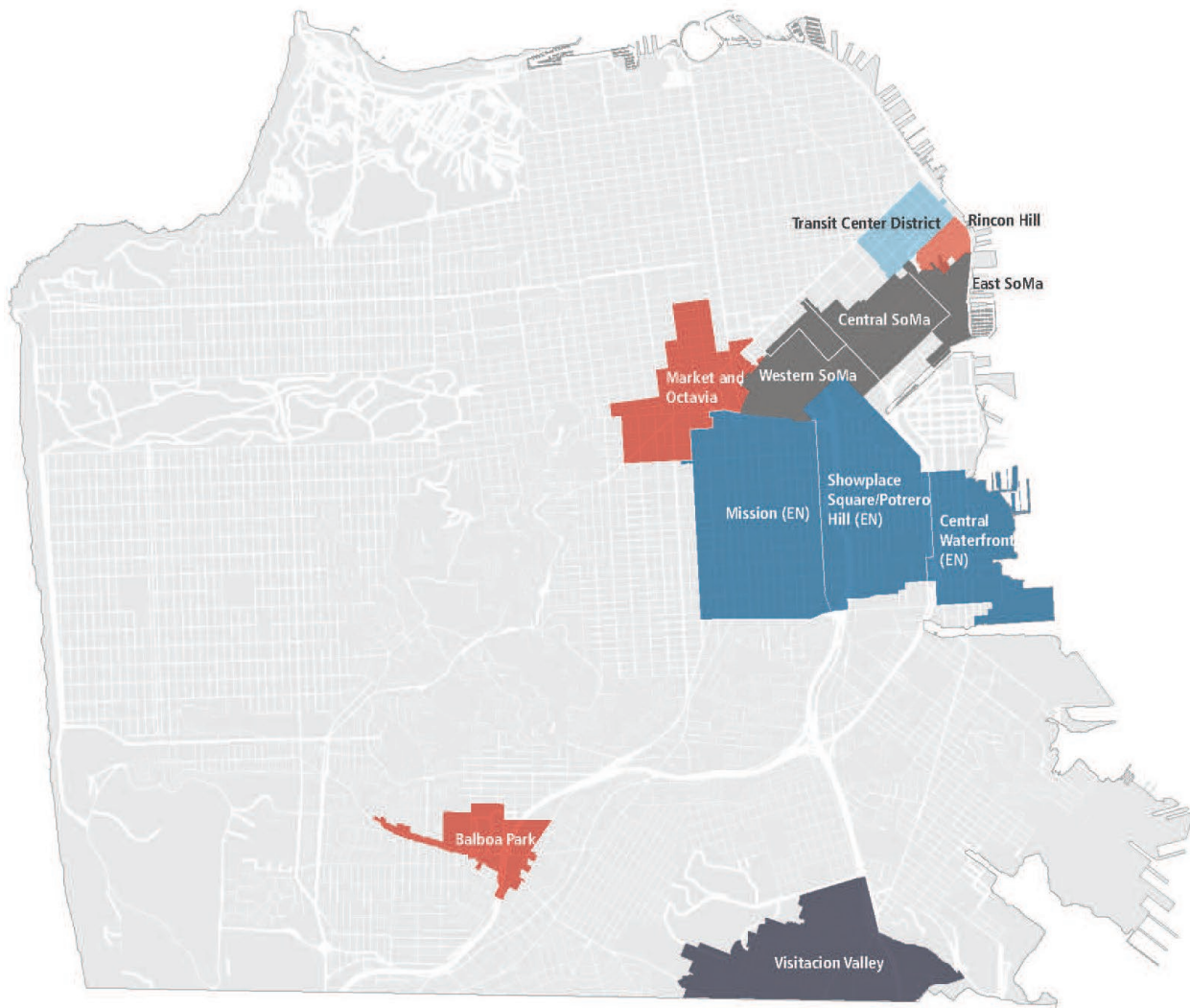
- The **purpose** of any fees;
- How fees will be **used**;
- A **reasonable relationship** between the fee-funded infrastructure and the type of development paying the fee;

-
- A reasonable relationship between the **need** for particular infrastructure and the type of development paying the fee; and
 - A reasonable relationship between the amount of the fee and the **proportion** of the cost specifically attributed to development.

1.2.1 Existing Development Impact Fees

Table 1 catalogues San Francisco’s current impact fees in San Francisco for the infrastructure components studied in this report (recreational and open space, child care, complete streets, and transit infrastructure). Fire department infrastructure and libraries do not currently have impact fees in San Francisco, but are also studied in this report.

Fees in San Francisco typically fit into one of two categories: citywide fees that usually address a single improvement type, and geographically-based Area Plan fees where a single fee usually includes multiple improvement types. Any development that is subject to impact fees must pay the fees for any Area Plan within which it is located (infrastructure categories in which Area Plan-based impact fees can be spent sometimes overlap, and certain parts of the City do not have any Area Plan fees), in addition to citywide fees. Figure 1 shows the location of Area Plan fee areas across the City. Note that in areas where the geographically-based Area Plan fee includes a child care component, the citywide child care fee is reduced proportionally.

FIGURE 1: MAP OF AREA PLAN FEE AREAS¹

In Table 1, single-issue fees for any of the relevant infrastructure items are reported, and fees with multiple improvement types are apportioned by infrastructure item.² At the bottom, Table 1 displays the maximum total fee charged in each infrastructure category. For certain infrastructure categories, multiple fees may be charged. In these cases, Table 1 highlights the fees that combine to form the maximum possible fee.

¹ This map of area plan fee areas was provided by Mat Snyder, SF Planning staff, on January 14, 2021.

² Apportionment of community infrastructure fees was provided by Mat Snyder, SF Planning staff, on December 6th, 2019.

TABLE 1: EXISTING RELATED IMPACT FEES IN SAN FRANCISCO (2019)³

Fee Area	Recreational and Open Space	Child Care	Complete Streets	Transit	Total Impact Fee
Residential Fees (\$/GSF)					
Child Care: Citywide	-	\$2.15	-	-	\$2.15
Transit Center - Transportation ⁴	-	-	\$5.00	\$9.00	\$14.00
Transit Center - Open Space	\$3.38	-	-	-	\$3.38
Transportation Sustainability Fee	-	-	\$0.32	\$9.98	\$10.29
Balboa Park	\$3.66	\$1.89	\$4.80	\$1.64	\$12.00
Eastern Neighborhoods	\$12.00	\$1.64	\$7.83	\$2.53	\$24.00
Market/Octavia	\$2.98	\$1.14	\$6.25	\$3.12	\$13.49
Market/Van Ness SUD	\$5.00	\$2.01	\$10.48	\$5.00	\$22.49
Rincon Hill	\$2.17	-	\$10.73	-	\$12.90
Visitacion Valley	\$2.27	\$1.51	\$3.09	-	\$6.87
Central SoMa - Infrastructure ⁵	\$10.47	-	-	\$9.53	\$20.00
Maximum Fee	\$22.47	\$2.15	\$17.04	\$22.04	-
Commercial Fees (\$/GSF)					
Child Care: Citywide	-	\$1.85	-	-	\$1.85
Downtown Park Fee	\$3.00	-	-	-	\$3.00
Union Square Park Fee	\$6.00	-	-	-	\$6.00
Transit Center - Transportation ⁴	-	-	\$11.00	\$21.00	\$32.00
Transit Center - Open Space	\$12.00	-	-	-	\$12.00
Transportation Sustainability Fee	-	-	\$0.74	\$23.30	\$24.04
Balboa Park	\$0.69	\$0.36	\$0.90	\$0.31	\$2.25
Eastern Neighborhoods	\$1.33	\$0.44	\$7.52	\$11.72	\$21.00

³ The cells highlighted in yellow show fees that combine to form the maximum possible fee. Source: San Francisco Citywide Development Impact Fee Register, January 1, 2019, and the San Francisco Planning Department. The City annually adjusts all development impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE), as per Article 4 of the Planning Code. Although this report is being published in 2021, the substantive fee calculations were performed in 2019, so the body of this report lists all fees at their 2019 rates. The addendum at the end inflates the fees to their 2021 values.

⁴ The Transit Center – Transportation fee increases as a building’s Floor Area Ratio (FAR) increases. The fee amounts listed here are based on an FAR of 32.75, rounded up to the nearest dollar. The 32.75 FAR was provided by Planning as the largest FAR planned for the area to which the fee applies.

⁵ Pursuant to Planning Code section 431 et seq. the Central SoMa Infrastructure fee may be used for public transit, recreation, and open space improvements. In Ordinance No. 47-21, the Board of Supervisors amended Section 433.4 to clarify that the permissible uses of the Central SoMa Infrastructure fee includes recreation and open space infrastructure projects, as envisioned by the Central SoMa Implementation Strategy. Therefore, the Central SoMa Infrastructure Fee is apportioned as shown here. For additional detail, refer to the ‘Note-to-File: Distribution of Funds Collected from the Central SoMa Infrastructure Fee’ from SF Planning included in section 10.3 of the Appendix.

Market/Octavia	\$0.75	-	\$3.27	\$1.07	\$5.10
Market/Van Ness SUD	\$4.73	-	\$7.10	\$10.65	\$22.49
Rincon Hill	\$2.17	-	\$10.73	-	\$12.90
Visitacion Valley	\$2.27	\$1.51	\$3.09	-	\$6.87
Central SoMa - Infrastructure	-	-	-	\$41.50	\$41.50
Maximum Fee	\$15.00	\$1.85	\$11.74	\$76.52	-

1.2.2 Nexus Methodology

The nexus analysis establishes the relationship between new development and the increased demand for certain categories of infrastructure needed to serve the new development. Impact fees can be calculated several ways, but the foundation of all methodologies is determining an appropriate level of infrastructure for future development, the cost to provide this infrastructure, and a reasonable relationship between growth and cost, by which to apportion the cost burden.

With the exception of child care, this study uses a Level Of Service (LOS) based approach to derive a maximum supportable fee. For the Recreational and Open Space, Complete Streets, Transit, Libraries, and Fire Department infrastructure categories, the infrastructure LOS is determined based on current provision of an infrastructure type relative to each resident or service population unit (SPU). An explanation of service population is provided in the next section. A per-unit provision standard is established by the City – for example, a certain number of acres of open space per SPU – and subsequent development may be required to fund the maintenance of that standard (i.e., development may be charged the cost of maintaining that standard for the new residents or service population units it will draw). The nexus represents the maximum fee that could potentially be charged to new development based on that development’s share of the cost to provide this level of service. As long as the standard is not above the existing LOS conditions (i.e., as long as the existing LOS is not deficient per the standard), new development may bear the full burden of providing the LOS associated with its development. The City, however, may choose to adopt a lower fee than the maximum determined in this study.

The *2021 San Francisco Infrastructure Level of Service Analysis* report sets the foundation for the nexus analysis, by exploring various metrics and LOS standards for select infrastructure items, and by providing a comprehensive study of San Francisco’s infrastructure elements, current LOS provision, long-term aspirations, and short-term infrastructure LOS targets. The short-term targets are the standards used for the nexus analysis. These standards were developed through a review of existing City policies, interviews with City departments, and research on best practices.

The child care fee uses a linkage approach to the nexus analysis. This approach does not consider the current LOS, but rather charges new development for the cost of meeting the new demand created by that development. For more information on the linkage methodology, including a discussion on the usage of the linkage methodology, see the Child Care Facilities section.

1.2.3 Service Population

Three of the included nexus analyses (recreational and open space, complete streets, and fire department facilities) rely on the “service population” concept for their LOS. Service population is a relatively standardized concept, which determines the level of capital infrastructure demand placed on given infrastructure by additional development, including both residents and employees. Service population can be estimated either at a building level, by estimating the typical population and/or worker density of the building use, or at a citywide level. For the purposes of this study, the city’s total service population is calculated as one times the resident population plus half of the employment population (1:0.5 ratio). This discounting represents an

industry standard discount factor for employees in service population calculations.⁶

This methodology accounts for the infrastructure need generated both at an individual’s place of work and at their place of residence (e.g. required parks and sidewalks near their homes and near their offices). While employees require similar capital improvements (e.g., parks and sidewalks) as residents, the employee factor has been discounted (to 0.5) to reflect a conservative approach to employee capital infrastructure demand. This 1:0.5 ratio serves as the basis for the service population calculations.

1.3 Infrastructure Categories

A nexus between development and maximum supportable impact fees has been determined for the following infrastructure types:

- Recreational and Open Space
- Child Care
- Complete Streets
- Transit
- Libraries
- Fire Department

The first four infrastructure elements (recreational and open space, child care, complete streets, and transit) represent infrastructure categories where existing impact fees are charged. The last two elements (libraries and fire department facilities) represent infrastructure categories where the City does not have existing impact fees.

1.3.1 Citywide Approach to Impact Fees

Although many existing impact fees result from the City’s planning processes in various Area Plans, and thus are neighborhood-specific, this nexus study is conducted at a citywide level, and where relevant accounts for the various neighborhood specific fees. While the implementation of fee programs may vary based on specific considerations of individual Area Plans, a citywide nexus model provides a consistent nexus architecture that affords the City an over-arching structure and a program that can easily be administered and updated (with revised cost and demographic inputs) on a five-year basis.

1.3.2 Infrastructure Metrics and Target Years

For each infrastructure element, the metrics and the target year are shown in Table 2. Each infrastructure category is based on demographic projections through 2025, the year of the “short-term target” in the *2021 San Francisco Infrastructure Level of Service Analysis* report, except Transit, which uses the year 2040.

TABLE 2: LOS METRICS FOR INFRASTRUCTURE CATEGORIES⁷

Infrastructure Element	Metric	Target Level of Service	Target Year for Nexus Evaluation
Recreational and Open Space	City-owned open space per 1,000 service population units	3 acres	2025
Child Care	Child care demand created by new development	100% of demand created by new	2025

⁶ For further information, see the *2021 San Francisco Infrastructure Level of Service Analysis* report.

⁷ Source: *2021 San Francisco Infrastructure Level of Service Analysis* report

		development	
Complete Streets	Square feet of Complete Streets Sidewalk ⁸ per 1,000 service population units	118 square feet	2025
Transit	Revenue service hours per average daily vehicle (transit & auto) trip	1.45 hours	2040
	Share of total daily transit passenger miles in crowded conditions	15%	2040
Libraries	Square feet of library space per resident	0.6 square feet	2025
Fire Department Facilities	Fire department facilities ⁹ per 1,000 service population units	0.034 fire department facilities	2025

1.3.3 Growth Projections

This nexus analysis contains projections and estimates of employment and population growth within San Francisco through 2025 and 2040. The 2025 estimates, which are used in the maximum supportable fee calculations, are intended to reflect a typical five-year period of City growth based on the long-term 2040 population and employment estimates. The forecasts are based on reasonable assumptions for population and employment growth, but the actual population and employment growth may vary. While the nexus analysis is based on projected population and employment growth, those projections are used to calculate impact fees on a per-square-foot basis. Differences between the projected and actual population and employment growth may result in proportional changes to the amount of fees collected. Regardless of projected population and employment growth, the impact fees charged will be proportional to actual new development to ensure development pays its share for needed infrastructure improvements, and the services delivered will be proportional as well.

The nexus analysis is predicated on a demographic forecast that helps determine the need for future infrastructure. The following population and employment projections from 2019 through 2040 (Table 3) were provided by the City. The projections below are consistently applied throughout the nexus analysis because as new residential and non-residential development occurs, it brings an increased demand for new (or expanded and improved) community infrastructure.

⁸ See definition of Complete Streets Sidewalk in Section 4.2.1.

⁹ Fire department facilities consist of fire houses, department vehicles, an ambulance deployment center. For more information, see Table 39.

TABLE 3: POPULATION AND EMPLOYMENT PROJECTIONS FOR SAN FRANCISCO (2019 – 2040)¹⁰

Year	2019	2025	2040
Population			
Total Residents	908,336	981,920	1,169,485
Employment			
Jobs	768,360	823,505	872,510

1.3.4 Additional Assumptions

In addition to the population and employment projections presented above, there are a number of other assumptions that are applied in the nexus analysis for each infrastructure category. For example, this nexus analysis ascribed demand for infrastructure on a gross square footage (GSF) basis that is consistent with current density assumptions (residents or employees per GSF). These assumptions are summarized in Table 4.

TABLE 4: GENERAL NEXUS ASSUMPTIONS

*	Measure	Value	Source/Calculation
Residential Assumptions			
A	Residents per service population unit	1	<i>2021 San Francisco Infrastructure Level of Service Analysis</i>
B	Residents per housing unit	2.26	Demographic data from San Francisco Planning Department (2019)
C	GSF per average residential housing unit (new construction)	1,000	New Construction Average Housing Unit Size Memorandum (2020)
D	GSF per residential service population	443	C / B
Commercial Assumptions			
E	Employees per service population unit	0.5	<i>2021 San Francisco Infrastructure Level of Service Analysis</i>
F	GSF commercial space per employee	310	Table 44
G	GSF per commercial service population	620	G / E

1.3.4.1 Administrative Costs

For each fee calculation, five percent of the calculated cost is added to cover administrative services, as directed by the San Francisco Planning Department, which oversees the fee calculation. Five percent reflects the average administrative cost across all citywide and neighborhood impact fees.¹¹ This is consistent with the *2014 San Francisco Citywide Nexus Analysis*.

¹⁰ Source: San Francisco Planning Department. Projections included number of households and jobs, in addition to a total population estimate for 2040. The Hatch team used the projected number of households in 2025, along with the average household size in 2019 and 2040, to estimate the total population in 2025.

¹¹ The San Francisco Planning Department verified that five percent is the average administrative cost for impact fees in an email from Mathew Snyder on September 4th, 2019.

1.3.4.2 Gross Square Feet

Consistent with current City practices, all fees are presented in terms of infrastructure cost (\$) relative to gross square foot (GSF) of new development. For neighborhoods that have a considerably lower or higher number of GSF per residential housing unit than assumed in Table 4, the Planning Department reserves the right to recalculate fees for the relevant geographically-based Area Plan fees based on adjusted assumptions.

1.4 Summary of Citywide Impact Fees

The impact fees determined in this nexus analysis are tabulated below (Table 5).

TABLE 5: MAXIMUM SUPPORTABLE CITYWIDE IMPACT FEES PER GSF (2019)

Citywide Nexus Fees	Maximum Supportable Fee
Recreational and Open Space	
Residential (\$/GSF)	\$46.22
Non-Residential (\$/GSF)	\$33.05
Child Care	
Residential (\$/GSF)	\$2.47
Non-Residential (\$/GSF)	\$4.86
Complete Streets: Citywide	
Residential (\$/GSF)	\$16.19
Non-Residential (\$/GSF)	\$11.58
Complete Streets: Downtown	
Downtown Area: Residential (\$/GSF)	\$19.42
Downtown Area: Non-Residential (\$/GSF)	\$13.89
Transit	
Residential (\$/GSF)	\$24.24
Production, Distribution, and Repair (PDR) (\$/GSF)	\$46.82
Non-Residential (ex. PDR) (\$/GSF)	\$83.75
Libraries	
Residential (\$/GSF)	\$2.50
Non-Residential (\$/GSF)	N/A
Fire Department Facilities	
Residential (\$/GSF)	\$1.51
Non-Residential (\$/GSF)	\$1.08

1.4.1 Comparison of Maximum Supportable Impact Fees with Existing Impact Fees

The maximum supportable citywide impact fees exceed the existing impact fees, including Area Plan fees, in every category. Additionally, the maximum supportable citywide impact fees exceed the existing impact fees by at least 10 percent, as shown in Table 6. Note that both existing and maximum supportable impact fees are expressed in \$/GSF.

TABLE 6: COMPARING MAXIMUM SUPPORTABLE CITYWIDE FEES TO EXISTING FEES (2019)

	Maximum Supportable Fee (determined by this Nexus)	Highest Existing Fee (2019 fee rates)	Percent of Existing Fee Covered by Maximum Supportable Nexus (Maximum/Existing)
Recreational and Open Space			
Residential (\$/GSF)	\$46.22	\$22.47 ¹²	206%
Non-Residential (\$/GSF)	\$33.05	\$15.00	220%
Child Care			
Residential (\$/GSF)	\$2.47	\$2.15	115%
Non-Residential (\$/GSF)	\$4.86	\$1.85	263%
Complete Streets: Non-Downtown			
Residential (\$/GSF)	\$16.19	\$8.15	199%
Non-Residential (\$/GSF)	\$11.58	\$8.25	140%
Complete Streets: Downtown			
Residential (\$/GSF)	\$19.42	\$17.04	114%
Non-Residential (\$/GSF)	\$13.89	\$11.74	118%
Transit			
Residential (\$/GSF)	\$24.24	\$22.04 ¹²	110%
PDR (\$/GSF)	\$46.82	\$9.45	495%
Non-Residential (ex. PDR) (\$/GSF)	\$83.75	\$76.52	110%
Libraries			
Residential (\$/GSF)	\$2.50	N/A	N/A
Non-Residential (\$/GSF)	N/A	N/A	N/A
Fire Department Facilities			
Residential (\$/GSF)	\$1.51	N/A	N/A
Non-Residential (\$/GSF)	\$1.08	N/A	N/A

2 Recreational and Open Space

This chapter summarizes the nexus analysis for recreation and open space. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated 2021 *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the maximum supportable impact fee, and the final determination of the maximum supportable impact fee.

¹² Note: Pursuant to Planning Code section 431 et seq. the Central SoMa Infrastructure fee may be used for public transit, recreation, and open space improvements. In Ordinance No. 47-21, the Board of Supervisors amended Section 433.4 to clarify that the permissible uses of the Central SoMa Infrastructure fee include recreation and open space infrastructure projects, as envisioned by the Central SoMa Implementation Strategy. As stated in section 10.3 of the Appendix in the 'Note-to-File: Distribution of Funds Collected from the Central SoMa Infrastructure Fee', of the \$20 Residential Central SoMa Infrastructure fee for Tier B projects (in 2019 dollars) no more than \$9.53 would go toward transit, leaving at least \$10.47 to go toward Recreation and Open Space.

2.1 Introduction

2.1.1 Recreational and Open Space Background

Recreational and open space is a common, City-provided, public amenity. San Francisco, like most cities, aims to provide adequate quality open space for the public health and quality of life of its citizens and workforce. As new residential and non-residential development occurs, it brings an increased demand for new (or expanded and enhanced) open space. This relationship between new development, an influx of residents and workers, and a demand for open space provides the nexus for an impact fee.

In addition to serving the residential population, the City has a longstanding commercial development impact fee, the Downtown Park Fee, initiated in 1985, which supports recreation space in the Downtown area for the neighborhood's daytime employee population.¹³ In adopting the Downtown Park Fee, the Board of Supervisors recognized that continued office development in the Downtown area increases the daytime population and creates a need for additional public park and recreation facilities in the Downtown. The Board recognized at the time that, while the open space requirements imposed on individual office and retail developments through the Planning Code addressed the need for plazas and other local outdoor sitting areas to serve employees and visitors in the district, such open space could not provide the same recreational opportunities as a public park. The City thus created the Downtown Park fund in order to provide the City and County of San Francisco with the financial resources to acquire and develop public park and recreation facilities necessary to serve the burgeoning daytime population in the Downtown area. The City continued its commitment to ensuring that recreational and open space facilities increased apace with new commercial development when it adopted open space fees on commercial development as a part of various Area Plans such as Market/Octavia, Eastern Neighborhoods, Balboa Park and Visitacion Valley (Table 1).

Providing recreational and open space – such as baseball diamonds, soccer fields, parks, playgrounds, tennis courts, flower gardens, community gardens, and greenways – is a capital-intensive undertaking, especially in San Francisco where land availability is low and land prices are high. Recreational and open space fees, charged to new development, are collected to fund the acquisition and construction of new or expanded recreation capacity for the additional residents and workers directly attributable to new development.

Note that the terms “park space” and “open space” may be used in this chapter as shorthand to denote any and all recreational and open space.

2.1.2 Purpose and Use of Revenues

The primary purpose of the recreational and open space development impact fee revenue is to fund expansion of San Francisco's park capacity to meet the demand from new development. Recreational and open space capacity can be increased either through the acquisition and construction of new park land, or through capacity enhancements to existing open space. Both types of open space investments increase the capacity of San Francisco's open space network to accommodate new development. Examples of how development impact fees would be used include:

- Acquisition and construction of new park and recreation land;
- Lighting improvements to existing parks, which extend hours of operation on play fields and allow for greater capacity;
- Recreation center construction, or adding capacity to existing facilities; and

¹³ Planning Code Section 412.

[http://www.amlegal.com/nxt/gateway.dll/California/planning/article4developmentimpactfeesandproject?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_412](http://www.amlegal.com/nxt/gateway.dll/California/planning/article4developmentimpactfeesandproject?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_412)

-
- Converting passive open space¹⁴ to active open space¹⁵ through addition of trails, play fields, playgrounds, etc.

The recreational and open space impact fee aims to ensure that new development contributes its fair share of funding to recreation and open space. Because the LOS metric upon which the nexus is developed directly ties infrastructure to the service population, there is a clear relationship between new development, which increases housing and employment space, and an increase in demand for recreation capacity.

As with all impact fees, the fee may not be used to address existing infrastructure deficiencies, and as such, no portion of the funds will be used for SFRPD's deferred maintenance tasks. Unlike capacity enhancements that make the open space usable by more people, deferred maintenance efforts simply restore open space to its initial capacity. For example, as noted above, a park enhancement might be adding lighting to a tennis court, which extends the effective hours of operation of the tennis court, allowing more people to use the court. By contrast, reflooring a tennis court as part of a maintenance effort simply maintains the tennis court's capacity, and thus would not be a permitted use of funds in the development impact fee context.

This nexus analysis examines how much would have to be charged to new development to satisfy 100 percent of the development-based demand for open space. This study estimates the maximum supportable fee based on the relationship between the cost to provide open space and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

2.2 Nexus Determination

The maximum supportable fee calculation for recreation and open space infrastructure combines the proposed recreation and open space LOS metric with residential and job growth projections and the cost to provide recreation and open space.

2.2.1 LOS Metric

Although recreational and open space infrastructure comprises a wide range of components, from playgrounds, lawn areas, and recreation centers to baseball diamonds and forested areas, the LOS metric put forth in the *2021 San Francisco Infrastructure Level of Service Analysis* – acres of open space per service population unit – encompasses, undifferentiated, all types of park-related improvements.

As noted in the *2021 San Francisco Infrastructure Level of Service Analysis*, the City currently provides 3 acres of open space per 1,000 service population units, and aims to maintain this provision into the future.¹⁶ This metric assumes that for each new service population unit, the City will provide an equivalent level of service, whether it comes in the form of new open space or capacity improvements to existing open space (see Nexus Methodology & Fee Calculation section below for more detail).

2.2.2 Growth Projections

The horizon for projected growth in demand for recreational and open space is 2025. Between 2019 and 2025, San Francisco is projected to gain 73,584 more residents and 55,145 more jobs (Table 7). Note that, although

¹⁴ Lawn or forested areas dedicated for “general enjoyment of outdoors,” as per SFRPD's Parks Acquisition Policy (August 2011).

¹⁵ Recreational space constructed to accommodate “team sports and athletics, children's play areas, courses and courts, bike, pedestrian and equestrian paths”, as per SFRPD's Parks Acquisition Policy (August 2011).

¹⁶ City-provided park land includes land owned or controlled by the Recreation and Parks Department, the Department of Public Works, the Port, the Municipal Transportation Agency, the Public Library, the Public Utilities Commission, the Office of Community Investment and Infrastructure, the Treasure Island Development Authority, and the Transbay Joint Powers Authority.

the development and fee collection is projected to occur between 2019 and 2025, infrastructure acquisition and development cannot occur until after fee collection, and may not be completed by 2025.

TABLE 7: GROWTH PROJECTIONS FOR RECREATIONAL AND OPEN SPACE (2019 - 2025)¹⁷

	2019	2025	Growth (2019 - 2025)	Percent Increase
Population				
Residents	908,336	981,920	73,584	8.1%
Employment				
Jobs	768,360	823,505	55,145	7.2%
Service Population Units (SPU)				
SPU ¹⁸	1,292,516	1,393,673	101,157	7.8%

2.2.3 Nexus Methodology & Fee Calculation

The fee calculation methodology (Table 8) calculates the total cost of increasing open space acreage for the increase in service population (2019-2025), and distributes the cost between residential and non-residential land uses based on their associated contributions to total incremental service population growth. The residential fee is based on the percentage of service population units arising from the new resident population; the non-residential (commercial) fee is based on the percentage of service population units arising from the increase in employee population.

Note that, to maintain the LOS at 3 acres of open space per 1,000 service population units, an equivalent of 301 new acres of open space would need to be constructed (Table 8, Row G). Given the size of San Francisco, the building density, absolute land availability, and expensive land costs, constructing 301 new acres of open space within San Francisco by 2025 is infeasible. SFRPD and the Planning Department have determined that for purposes of this analysis, the City can reasonably acquire 1.6 new acres of open space within San Francisco by 2025.¹⁹ The remaining 299 acres demanded by the LOS (301 minus 1.6, rounded) will be accommodated not through the construction of new park acres, but through the capacity improvement of existing acres, as described in Section 2.1.2. The capacity improvements on existing acres must add capacity to the existing land (refer to Purpose and Use of Revenues section above).

TABLE 8: NEXUS METHODOLOGY FOR RECREATIONAL AND OPEN SPACE FEE

*	Measure	Value	Source/Calculation
Service Population			
A.1	Current residential population (2019)	908,339	Table 7
A.2	Projected residential population growth (2019-2025)	73,584	Table 7
B.1	Current service population (2019)	1,292,516	Table 7
B.2	Projected service population growth (2019-2025)	101,157	Table 7
Unit Conversions			
C	GSF of residential development per SPU	443	Table 4

¹⁷ Based on population projections from Table 3.

¹⁸ Equal to the number of residents plus half the number of jobs (number of residents + 0.5 * number of jobs).

¹⁹ This determination was made based on open space acquisition over the past 10 years through the Interagency Plan Implementation Committee, and includes a discount for open space that may be acquired through other funding sources.

D	GSF of commercial development per SPU	620 ²⁰	Table 4
Metric			
E	Total acres of open space (all City owners, 2019)	3,844	SFRPD
F	Acres of park improvements per 1,000 Service Population Units	3.0	<i>2021 San Francisco Infrastructure Level of Service Analysis</i>
Cost			
G	Incremental acres of open space required to maintain LOS (2019-2025)	301	$(B.2 / 1,000) * F$
H	Feasible new acres of open space (2019-2025)	1.6	Historical acquisitions, from SF Planning
I	Acres of open space to be improved ²¹	299	G - H
J	City estimate of unit acquisition cost (\$/acre of open space acquired)	\$5,267,880	Historical acquisition prices from SFRPD
K	City estimate of unit improvement cost (\$/acre of open space improved)	\$6,534,000	Email from Stacy Bradley, SFRPD staff, 11/21/2019
L	Total cost for new open space	\$19,219,508	$H * (J + K)$
M	Total Cost for improved open space	\$1,955,073,503	$I * K$
N	Cost attributable to incremental growth	\$1,974,293,011	L + M
O	Administrative costs (5% of fee)	\$98,714,651	SF Planning
P	Total attributable cost with administrative costs	\$2,073,007,662	N + O
Maximum Supportable Impact Fees			
Residential (\$/GSF)		\$46.22	$P / (B.2 * C)$
Non-Residential (\$/GSF)		\$33.05	$P / (B.2 * D)$

2.3 Nexus Findings

Based on the approach in Table 8, the maximum estimated cost of providing recreational and open space is \$46.22 per gross square foot of residential development, and \$33.05 per gross square foot of non-residential development.

As Table 9 demonstrates, both determined maximum supportable fees are more than 10 percent above the highest existing fee for recreation and open space.

²⁰ Note that the number of square feet per service population unit, as defined in Table 4, takes into account the 0.5 employees per service population unit ratio for purposes of determining the maximum fee.

²¹ See explanation of improvement that expands capacity in Section 2.1.2.

TABLE 9: COMPARING PROPOSED MAXIMUM SUPPORTABLE RECREATION AND OPEN SPACE FEES TO EXISTING (2019) FEES

	Proposed (Max)	Existing (Max)	Percent of Existing Fee Covered by Maximum Supportable Nexus (Maximum/Existing)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$46.22	\$22.47 ²²	206%	YES
Non-Residential (\$/GSF)	\$33.05	\$15.00	220%	YES

3 Child Care Facilities

This chapter summarizes the nexus analysis for child care infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *2021 San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the maximum supportable impact fee, and the final determination of the maximum supportable impact fee.

3.1 Introduction

3.1.1 Child Care Facilities Background

For families with children – especially those with children under the age of thirteen – child care is a key concern. In San Francisco, with high housing costs, many families have working parents and, therefore, require non-parent child care. The City has long recognized the importance of child care as a community-serving amenity, and first adopted a child care inclusionary zoning ordinance with an in-lieu fee option for certain non-residential uses in 1985.²³ The child care fee was expanded to include residential development in 2016.²⁴ In addition to the City’s child care ordinance, there are four Plan Areas with Community Infrastructure Impact Fees that include a child care component – Market/Octavia, the Eastern Neighborhoods, Visitacion Valley, and Balboa Park. These fees are used to help provide facilities for child care demand resulting from new commercial and residential developments.

As new non-residential and residential development occurs, it attracts new residents and employees, some of whom have children who require non-parent child care. There is a relationship, or nexus, between new development, an influx of residents and workers, and a demand for child care facilities. The nexus provides a theoretical maximum for the impact fee. While child care is not a mandated public service, the City is involved in supporting the provision of licensed child care options by helping to fund capital projects that create new child care slots in the City.

3.1.2 Purpose and Use of Revenues

The primary purpose of the child care development impact fee is to fund expansion of San Francisco’s child care capacity to meet the demand from new development. That is, impact fee revenues are intended to be used to mitigate the child care demands of the increasing population. Monies from the child care impact fee may only be used to fund capital child care projects and facilities.

²² Note: The permissible uses of the Central SoMa Infrastructure fee includes recreation and open space infrastructure projects, as envisioned by the Central SoMa Implementation Strategy. As noted in Table 1 of this report, the highest existing fee for recreation and open space includes \$10.47 of the \$20 Residential Central SoMa Infrastructure fee for Tier B projects (in 2019 dollars).

²³ The original ordinance (Ord. 411-85, App. 9/6/82) only applied to hotel and office development. See Section 414 of the City Planning Code for more information.

²⁴ Ordinance 002-16, enacted on 1/19/2016.

This nexus is limited to new demand for infants, toddlers, and preschool-age child care only. The nexus does not address the child care needs of school-age children (ages 5 to 17). Although there is a need for additional school-age child care capacity in the City, those needs tend to be for operations assistance, not for additional facilities. After-school care is typically provided at existing school sites, using school facilities. Given that impact fee revenues must be spent on capital costs to maintain or increase the supply of facilities, expanding such operational assistance would not be an appropriate use of nexus funds. At this time, the City does not intend to assist in the creation of new facilities providing after-school care; instead, the City intends to use other funding sources to assist the operation of after-school programs.²⁵

This study estimates the maximum supportable fee based on the relationship between new development and the costs to provide additional child care and the demand created by new development. However, the City may choose to adopt a lower fee as appropriate.

3.2 Nexus Determination

The maximum supportable fee calculation for child care combines the child care demand estimation with residential and employment growth projections and the cost to provide licensed child care.

3.2.1 Linkage Analysis

The child care fee uses a linkage approach to the nexus analysis. A linkage analysis for the nexus determination addresses the indirect social impacts caused by the addition of residents and businesses associated with new development, as compared to the direct public facility impacts addressed by traditional development fees.²⁶ Indirect impacts typically addressed by a linkage analysis include the additional affordable housing and expanded licensed child care required to accommodate new development. Whereas local agencies use revenue from traditional impact fees to expand public facilities, they use linkage fee revenue to incentivize the expansion of social services such as housing and child care. Although linkage fees were novel in the 1980s, professional practice now deems that “there are no fundamental differences between linkage and impact fees” other than the types of services and facilities funded by each.²⁷ The nexus analysis for both types of fees relies on an estimate of demand for services and facilities generated by new development, the available supply of those services and facilities, and new development’s proportionate share of the expansion of those services and facilities.

Although the most common type of linkage fee is the affordable housing linkage fee on nonresidential development, several cities impose linkage fees for child care facilities. The City of Palm Desert imposes a child care linkage fee on nonresidential development only while the cities of Santa Monica and South San Francisco impose the fee on both residential and nonresidential development. In a similar manner, the child care linkage approach to the San Francisco nexus analysis demonstrates that new development brings an increased demand for expanded child care facilities to provide non-parent child care for families in new development. The City does not directly provide these facilities but provides financial incentives for construction and operation of child care slots to serve low-income families. As demonstrated in the *2021 San Francisco Infrastructure Level of Service Analysis*, current licensed child care facilities meet 19 percent of infant/toddler care demand and 88 percent of preschool demand. The lack of sufficient capacity to meet existing demand demonstrates the need for new development to fund additional child care capacity.

²⁵ *San Francisco Early Care and Education Needs Assessment*, 2017.

²⁶ William W. Abbott, et al., *Exactions and Impact Fee in California*, Solano Press Books, 2012, pp. 26-27.

²⁷ *Ibid.* See also Nelson, Arthur C., James C. Nicholas, and Julian C. Juergensmeyer, *Impact Fees: Principals and Practice of Proportional-Share Development Fees*, Routledge, 2019, p.107.

3.2.2 Growth Projections

The horizon for projected growth in demand for child care infrastructure is 2025. Unlike other infrastructure categories, which are required by residents and employees at multiple locations (both at home and at work), child care facilities are required in only one location per child in need of care. As a result, a service population-based nexus (like recreational and open space) is not relevant to child care. Instead, the child care nexus is based on future child care demand estimates. Between 2019 and 2025, new development in San Francisco is projected to generate demand for 486 new licensed infant and toddler child care slots and 1,119 new licensed preschooler child care slots.²⁸ Note that, although the development and fee collection is projected to occur between 2019 and 2025, infrastructure acquisition and development cannot occur until after fee collection, and may not be completed by 2025.

TABLE 10: GROWTH PROJECTIONS AND DEMAND ESTIMATES FOR CHILD CARE (2019 – 2025)

	2019	2025	Growth (2019 - 2025)	Percent Increase
Population				
Residents	908,336	981,920	73,584	8.1%
Resident Children	48,377	52,296	3,919	8.1%
Employment				
Jobs ²⁹	768,360	823,505	55,145	7.2%
Jobs Held by Non-Residents	463,040	496,272	33,232	7.2%
Children of Non-Resident Employees Seeking Care	23,152	24,814	1,662	7.2%
Child Care Demand Estimates (for Licensed Care)				
Resident Children Aged 0-2 Requiring Care	5,999	6,485	486	8.1%
Resident Children Aged 3-5 Requiring Care	13,813	14,932	1,119	8.1%
Non-Resident Children Aged 0-5 Requiring Care	23,152	24,814	1,662	7.2%

3.2.3 Nexus Methodology & Fee Calculation

The child care nexus analysis seeks to estimate the cost to the City of meeting new demand for child care in San Francisco as the demand for child care grows over time (as population and employment grows), and to assign this cost to residential and non-residential construction on a per-square foot basis. It then calculates the capital costs required to provide these child care spaces to accommodate the new population, based on the City's cost of funding new child care facilities. Lastly, the costs are assigned to new housing units and new non-residential development on a per-square-foot basis.

The residential child care fee is calculated to account for children of all San Francisco residents who work within the City, including those San Francisco residents who work within the City and seek child care near their place of work. This is because the childcare nexus evaluates childcare demand on a citywide basis, and not by

²⁸ See the *2021 San Francisco Infrastructure Level of Service Analysis* for a detailed explanation of the child care demand calculations and assumptions. The methodology is summarized in Appendix Section **Error! Reference source not found.**

²⁹ The child care demand methodology and calculations, summarized in Table 11, Table 12, and Table 13, assumes that 5 percent of non-resident workers coming in to the City will seek licensed care for a child in the City. This is based on the 2014 San Francisco Nexus Study methodology.

discrete neighborhoods. Thus, residential development creates the citywide need for child care to serve children of resident workers, regardless of the location of the parents' employment within San Francisco. The commercial child care fee does not include any demand from resident children in order to avoid double-counting.

TABLE 11: NEXUS METHODOLOGY FOR RESIDENT INFANT AND TODDLER (0-2) CHILD CARE FEE

Step	Description	Value	Source/Calculation
Total Resident-Children (0-2)			
1	Residents	908,336	SF Planning Estimates
1A	Resident children 5 and under	48,377	SF Planning Estimates ³⁰
1B	Percent of resident children 5 and under who are between 0-2	54%	2017 ACS 5-Year Estimates, B09001
1C	Resident children 0-2	26,124	1A * 1B
Resident-Children (0-2) Needing Care			
1D	Percent of resident children 0-2 in working households	71%	2017 ACS 5-Year Estimates, B23008
1E	Number of resident children 0-2 in working households	18,637	1C * 1D
Resident-Children (0-2) Needing Licensed Care Outside of San Francisco			
1F	Percent of SF Residents who are employed	58%	Total Employed SF Residents (504,914) (source: 2017 ACS 5-Year Estimates, DP03) divided by Total SF Residents (864,263) (source: 2017 ACS 5-Year Estimates, S0101)
1G	Employed SF Residents	530,662	1 * 1F
1H	Percent of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
1I	Employed SF Residents working outside SF	125,767	1G * 1H
1J	Percent of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ³¹
1K	Resident children (all 0-5) needing child care outside SF (assumes one child per working adult)	6,288	1I * 1J
1L	Resident children (0-2) needing child care outside SF	3,396	1B * 1K
Resident-Children (0-2) Needing Licensed Care in San Francisco			
1M	Remaining resident children (0-2) potentially	22,728	1C – 1L

³⁰ The number of children in each age group (i.e., 0-2, 3-4, 5) from the 2017 ACS 5-Year Estimates, B09001 was apportioned to the total SF resident population to determine the number of resident children in each age group.

³¹ Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); this study assumes one child needing care per employee).

	needing child care		
1N	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
1O	Resident children (0-2) with working parents	16,215	1M * 1N
1P	Percent of children (0-2) with working parents needing licensed care	37%	2014 San Francisco Nexus Study ³²
1Q	Resident children (0-2) needing licensed care in SF	5,999	1O * 1P
Resident Children (0-2) Childcare Fee			
1R	Cost of child care slot	\$50,000	Email from Graham Dobson, SFOECE Staff, September 17 2019
1S	Total cost of child care slots near residents	\$299,972,268	1Q * 1R
1T	Child care slot cost per resident	\$330.24	1S / "1"
1U	Resident per unit	2.26	Table 4: B
1V	Child care slot cost per unit	\$746.35	1T * 1U
1W	Square feet per unit	1,000	Table 4: C
1X	Child care slot cost per square foot	\$0.75	1V/ 1W

TABLE 12: NEXUS METHODOLOGY FOR RESIDENT PRESCHOOLER (3-5) CHILD CARE FEE

Step	Description	Value	Source/Calculation
Total Resident-Children (3-5)			
2	Residents	908,336	SF Planning Estimates
2A	Resident children 5 and under	48,377	SF Planning Estimates ³³
2B	Percent of resident children 5 and under who are aged 3-5	46%	2017 ACS 5-Year Estimates, B09001
2C	Resident children 3-5	22,253	A*B
Resident-Children (3-5) Needing Care			
2D	Percent of resident children 3-5 in working households	71%	2017 ACS 5-Year Estimates, B23008
2E	Number of resident children 3-5 in working households	15,876	2C * 1S
Resident-Children (3-5) Needing Licensed Care Outside of San Francisco			
2F	Percent of SF Residents who are employed	58%	Total Employed SF Residents (504,914) (source: 2017 ACS 5-Year Estimates, DP03) divided

³² Based on the 2014 San Francisco Nexus Study, 37% of children (0-2) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

³³ The number of children in each age group (i.e., 0-2, 3-4, 5) from the 2017 ACS 5-Year Estimates, B09001 was apportioned to the total SF resident population to determine the number of resident children in each age group.

			by Total SF Residents (864,263) (source: 2017 ACS 5-Year Estimates, S0101)
2G	Employed SF Residents	530,662	2E * 2F
2H	Percent of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
2I	Employed SF Residents working outside SF	125,767	2G * 2H
2J	Percent of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ³⁴
2K	Resident children (all 0-5) needing child care outside SF (assumes one child per working adult)	6,288	2I * 2J
2L	Resident children (0-5) needing child care outside SF	2,893	2B * 2K
Resident-Children (3-5) Needing Licensed Care in San Francisco			
2M	Remaining resident children (0-5) potentially needing child care	19,361	2C - 2L
2N	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
2O	Resident children (3-5) with working parents	13,813	2M * 2N
2P	Percent of children (3-5) with working parents needing licensed care	100%	2014 San Francisco Nexus Study ³⁵
2Q	Resident children (3-5) needing licensed care in SF	13,813	2O * 2P
Resident Children (3-5) Childcare Fee			
2R	Cost of child care slot	\$50,000	Email from Graham Dobson, SFOECE Staff, September 17 2019
2S	Total cost of child care slots near residents	\$690,626,843	2Q * 2R
2T	Child care slot cost per resident	\$760.32	2S / "2"
2U	Resident per unit	2.26	Table 4: B
2V	Child care slot cost per unit	\$1,718.33	2T * 2U
2W	Square feet per unit	1,000	Table 4: C
2X	Child care slot cost per square foot	\$1.72	2V / 2W

³⁴ Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee.

³⁵ Based on the 2014 San Francisco Nexus Study, 100% of children (3-5) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

TABLE 13: NEXUS METHODOLOGY FOR CHILDREN OF WORKERS (0-5) CHILD CARE FEE

Step	Description	Value	Source/Calculation
Non-Resident Children (0-5) Needing Licensed Care in San Francisco			
3A	SF Workers who live elsewhere	463,040	Percent of jobs filled by non-SF residents (60%) (source: LEHD 2015) * SF Jobs (2019) (768,360) (source: SF Planning)
3B	Percent of Workers who live elsewhere and seek child care in SF	5%	2014 San Francisco Nexus Study ³⁶
3C	Number of Workers who live elsewhere and seek child care in SF	23,152	3A * 3B
Non-Resident Children (0-5) Childcare Fee			
3D	Cost per child care slot	\$50,000	Table 12 and 13: D
3E	Total cost of slots for workers who live outside SF	\$1,157,600,000	3C * 3D
3F	Number of SF Workers	768,360	SF Planning
3G	GSF per worker	310	Table 4: F
3H	SF of commercial development	238,191,600	3F * 3G
3I	Total Cost per SF (children 3-5)	\$4.86	3E / 3H

3.3 Nexus Findings

Based on the above methodology, the maximum estimated nexus is \$2.47 per gross square foot for residential buildings and \$4.86 per gross square foot for non-residential buildings (Table 14). Charging both residential and commercial development the maximum supportable fee would not result in double-counting the impact on child care because the total impact has been allocated proportionally to the two development types.

TABLE 14: MAXIMUM SUPPORTABLE IMPACT FEES FOR CHILD CARE

	Maximum Supportable Citywide Fee
Residential Demand	
Child Care for Infant and Toddler Care (0-2) (\$/GSF)	\$0.75
Child Care for Preschool Care (3-5) (\$/GSF)	\$1.72
Non-Residential Demand	
Child Care for Infant, Toddler, and Preschool Care (0-5) (\$/GSF)	\$4.86
Total Child Care Fee	
Residential (\$/GSF)	\$2.47
Non-Residential (\$/GSF)	\$4.86

³⁶ Based on the 2014 San Francisco Nexus Study, based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee. The assumptions from the 2014 San Francisco Nexus Study source have been used as a review of various nexus studies and the research conducted for these studies confirms that these are widely used, standard assumptions.

As Table 15 demonstrates, both the highest current residential and non-residential fees are less than the maximum amount supported by the nexus analysis by more than 10 percent.

TABLE 15: COMPARING PROPOSED MAXIMUM SUPPORTABLE CHILD CARE FEES TO EXISTING (2019) FEES

	Proposed (Max)	Existing (Max)	Percent of Existing Fee Covered by Maximum Supportable Nexus (Maximum/Existing)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$2.47	\$2.15	115%	YES
Non-Residential (\$/GSF)	\$4.86	\$1.85	263%	YES

4 Complete Street Infrastructure

This chapter summarizes the nexus analysis for complete streets infrastructure. After providing brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *2021 San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the maximum supportable impact fee, and the final determination of the maximum supportable impact fee.

4.1 Introduction

4.1.1 Complete Streets Background

Complete streets infrastructure encompasses a wide range of right-of-way facilities and plays an important role in the City’s transportation goals, health and safety promotion, and environmental objectives. In 2010, the City of San Francisco published the Better Streets Plan (BSP) with design and maintenance guidelines for the pedestrian environment. Constructing “complete streets”³⁷ – considering safety, creation of social space on the sidewalk, and pedestrian aesthetic – is broadly the main motivator underlying the BSP recommendations. City stakeholders rely heavily on the BSP as their foremost streetscape policy document, representing thorough analysis and design and engineering considerations.

As new residential and non-residential development occurs, it brings an increased demand for new (or expanded and improved) complete streets infrastructure. This relationship between new development, an influx of residents and workers, and a demand for complete streets infrastructure provides the nexus for an impact fee. Providing complete streets is a capital-intensive undertaking. Complete streets impact fees, imposed on new development, help fund the construction of new and enhanced complete streets infrastructure for the additional residents and workers directly attributable to new development.

Note that this nexus analysis represents the first time the City of San Francisco has combined all of the complete streets components into a single nexus metric. In the *2014 San Francisco Citywide Nexus Analysis*,

³⁷ Complete Streets are defined as streets which “are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders.” Metropolitan Transportation Commission, “MTC One Bay Area Grant: Complete Streets Policy Development Workshop.” October 16, 2012. Section 2.4.13 of San Francisco’s Public Works Code outlines San Francisco’s complete streets policy, which includes the construction of transit, bicycle, stormwater, and pedestrian environment improvements, where pedestrian environment improvements are defined as sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements as defined in the Better Streets Plan.

“streetscape and pedestrian infrastructure” was a separate category from bicycle infrastructure. Although the terms streetscape and pedestrian infrastructure indicate more than sidewalk improvements (encompassing BSP elements such as lighting, landscaping, and safety measures³⁸), “complete streets” encompasses sustainable street elements more broadly, including bike lanes, sidewalk paving and gutters, lighting, street trees and other landscaping, bulb-outs, and curb ramps. The “Complete Streets Sidewalk” metric, used to encompass all of these streetscape improvements and assign their costs to sidewalk square footage as a single all-encompassing metric, is described in more detail in Section 4.2.1.

4.1.2 Purpose and Use of Revenues

The purpose of the complete streets development impact fee is to fund capital improvements to San Francisco’s complete streets infrastructure. As discussed in the BSP, the City aims to improve the pedestrian environment for all of San Francisco’s residents and employees. Acceptable uses of the fees include (but are not limited to) sidewalk paving, lighting installation, pedestrian signalization of crosswalks or intersections, street tree planting, bulb-out construction, street furnishing, landscaping, traffic calming, bike lane improvements, and other streetscape improvements cited in the BSP or Public Works Code (Section 2.4.13).

In addition to the complete streets infrastructure impact fee analyzed here, Planning Code Section 138.1 contains urban design requirements that authorize the Planning Department to require a project to provide physical complete streets improvements in certain instances. Due to the fact that Section 138.1 improvements are a type of complete streets infrastructure, the complete streets nexus calculation includes a 9.2 percent deduction to account for potential Section 138.1 improvements, as shown in Section 4.2.5. This deduction is based on a sampling of 88 projects under development as of the second quarter of 2019, and represents the value of complete streets improvements they were required to provide as a percentage of the maximum complete streets impact fee they could have been charged under the methodology described in Section 4.2.5. The data and calculation were provided by the San Francisco Planning Department.

The maximum supportable impact fee aims to ensure that new development contributes its fair share of funding to complete streets improvements. Because the LOS metric upon which the nexus is based addresses demand of the entire service population, existing and projected, there is a clear relationship between new development, which increases housing and employment space, and an increase in demand for complete streets infrastructure.

This study estimates the maximum supportable impact fee based on the relationship between the cost to provide complete streets infrastructure and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

4.2 Nexus Determination

The maximum supportable fee calculation for complete streets infrastructure combines the proposed complete streets infrastructure provision LOS metric with total population and employment growth projections and the cost to provide complete streets infrastructure.

4.2.1 LOS Metric

Because complete streets infrastructure encompasses a wide range of components, the LOS metric put forth in the *2021 San Francisco Infrastructure Level of Service Analysis* – square feet of Complete Streets Sidewalk per service population unit – serves as a proxy for all types of complete streets improvements, and reflects the level of investment that the City has committed to making in the sustainable street environment.

“Complete Streets Sidewalk” is a term that denotes sidewalk with some amount of sustainable street

³⁸ *San Francisco Better Streets Plan*, 2010.

infrastructure, including components such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, bike lanes, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco’s Public Works Code. While the proscription for Complete Streets Sidewalk is not uniform across San Francisco (i.e. the BSP calls for different complete streets infrastructure improvements depending on the site considerations, the street type, the traffic patterns, and so on), the intent of the BSP is to improve all of San Francisco’s streetscape.³⁹ Therefore, the basic square footage of sidewalk is denoted “Complete Streets Sidewalk” to reflect the investments the City is committed to make in the pedestrian and bicycle right-of-way in terms of complete streets infrastructure.

4.2.2 Growth Projections

The horizon for projected growth in demand for complete streets infrastructure is 2025. Between 2019 and 2025, San Francisco is projected to gain 73,584 residents and 55,145 jobs (Table 16). Note that, although the development and fee collection is projected to occur between 2019 and 2025, infrastructure acquisition and development cannot occur until after fee collection, and may not be completed by 2025.

TABLE 16: GROWTH PROJECTIONS FOR COMPLETE STREETS INFRASTRUCTURE (2019 - 2025)⁴⁰

	2019	2025	Growth (2019 - 2025)	Percent Increase
Population				
Residents	908,336	981,920	73,584	8.1%
Employment				
Jobs	768,360	823,505	55,145	7.2%
Service Population Units (SPU)				
SPU	1,292,516	1,393,673	101,157	7.8%

4.2.3 Complete Streets Costs

In order to assign a development cost to the new infrastructure, a value of \$64 per square foot of Complete Streets Sidewalk is applied. This number is based on San Francisco’s current inventory of selected complete streets elements, and the cost of building those elements.⁴¹ Table 17 illustrates the full calculation.

TABLE 17: SELECT COMPLETE STREETS ELEMENTS AND COSTS

Infrastructure Category	Unit Type	Amount	Unit Cost	Total Cost	Source
Sidewalk Area	Square Feet	152,044,639	\$35	\$5,321,562,350	SFDPW
Sidewalk Curb & Gutter	Linear Feet	11,969,859	\$110	\$1,316,684,523	SFDPW
Street Trees	Count	125,891	\$2,150	\$270,665,650	SFDPW
Curb Ramps	Count	28,826	\$32,000	\$922,432,000	SFDPW
Class I Bikelanes	Linear Miles	62	\$596,250	\$37,021,163	SFRPD
Class II Bikelanes	Linear Miles	139	\$400,000	\$55,768,000	SFMTA
Class III Bikelanes	Linear Miles	209	\$200,000	\$41,700,000	SFMTA
Class IV Bikelanes	Linear Miles	20	\$800,000	\$15,896,000	SFMTA

³⁹ San Francisco Planning Code, Section 138.1.

⁴⁰ Based on population projections from Table 3.

⁴¹ This inventory is based on data from the San Francisco Planning Department, Department of Public Works, Public Utilities Commission, and Municipal Transportation Agency.

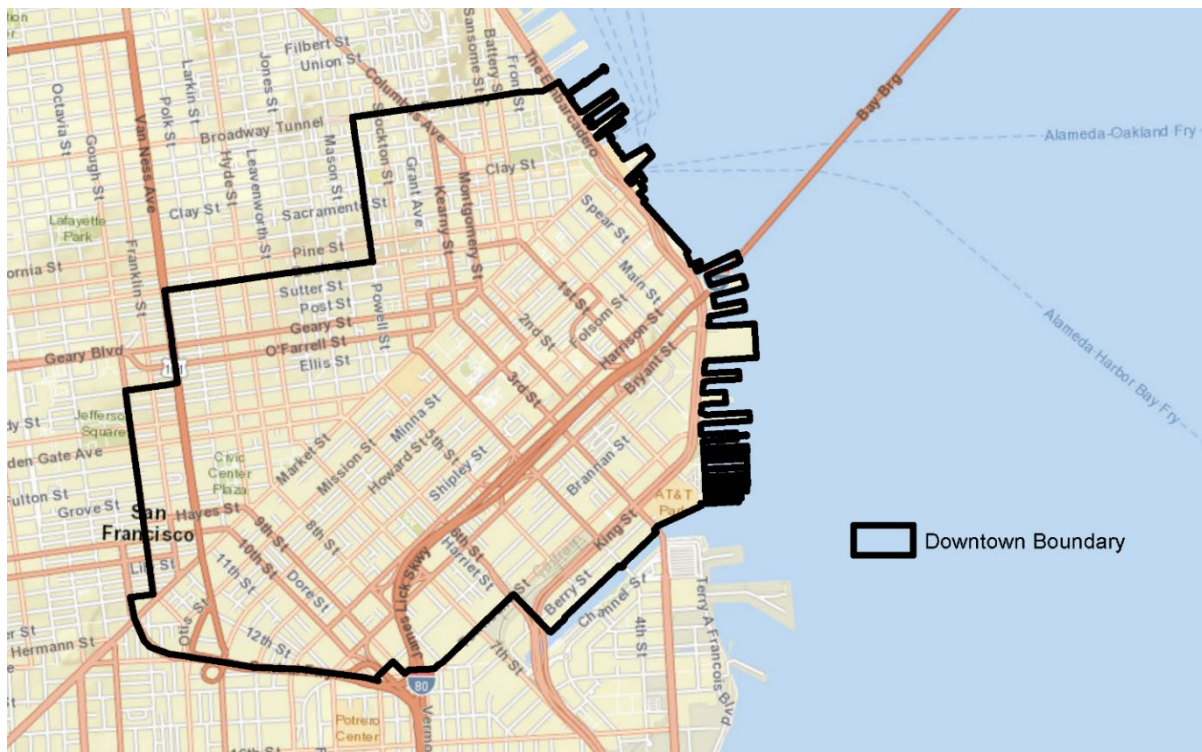
Street Lights	Count	24,046	\$42,000	\$1,009,932,000	SFDPW
Bulbouts	Count	1,095	\$673,545	\$737,531,775	SFDPW
Total Infrastructure Cost				\$9,729,193,461	
Total Square Feet of Complete Streets Sidewalk				152,044,639	
Complete Streets Cost per Improved Sidewalk Square Foot				\$64	

4.2.4 The Downtown Boundary

The cost of building complete streets infrastructure improvements, more so than for other infrastructure categories examined in this analysis, varies significantly by location. Sub-sidewalk basements, underground utilities, and overhead trolley coach wires are just some of the obstacles that may exist in the right of way and make building complete streets infrastructure more complex and expensive. More densely populated neighborhoods tend to have a higher density of these obstacles, making complete streets infrastructure more costly to build in these neighborhoods.

In order to account for this variation in cost, the complete streets fee calculation includes a 20 percent markup for the downtown area (see Table 18) based on information from the Department of Public Works, shown below in Figure 2. Representative complete streets projects located in the downtown area were determined to have costs 20 percent higher, on average, than projects deemed to be representative of typical citywide costs.⁴² The downtown area boundary was determined in consultation with the San Francisco Planning Department and includes the most densely populated parts of the City, including areas that are expected to become more densely populated by 2025.

FIGURE 2: THE COMPLETE STREETS DOWNTOWN BOUNDARY



⁴² Confirmed in an email from SFDPW staff on December 16th, 2019.

4.2.5 Nexus Methodology & Fee Calculation

The fee calculation methodology (Table 18) calculates the total cost of providing adequate complete streets elements for San Francisco’s service population (2019-2025). The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

TABLE 18: NEXUS METHODOLOGY FOR COMPLETE STREETS INFRASTRUCTURE FEE

*	Measure	Value	Source/Calculation
Service Population			
A.1	Current residential population (2019)	908,339	Table 16
A.2	Projected residential population growth (2019-2025)	73,584	Table 16
B.1	Current service population (2019)	1,292,516	Table 16
B.2	Projected service population growth (2019-2025)	101,157	Table 16
Unit Conversions			
C	GSF of residential development per SPU	443	Table 4
D	GSF of commercial development per SPU	620	Table 4
Metric			
E	Total square feet of Complete Streets Sidewalk citywide	152,044,639	2021 San Francisco Infrastructure Level of Service Analysis
F	Square feet of Complete Streets Sidewalk per SPU	118	2021 San Francisco Infrastructure Level of Service Analysis
Cost			
G	Unit cost (\$/square foot of Complete Streets Sidewalk)	\$64	Complete Streets Breakdown
H	Total cost for new streetscape improvements	\$761,438,279	B.2 * F * G
I	Cost attributable to incremental growth	\$761,438,279	H * 100%
J	Discount for Better Streets Plan Improvements	9.2%	SF Planning ⁴³
K	Discounted attributable cost	\$691,419,165	I * (1 - J)
L	Administrative costs (5% of fee)	\$34,570,958	SF Planning
M	Total attributable cost with administrative costs	\$725,990,123	K + L
Maximum Supportable Impact Fees: Citywide			
Residential (\$/GSF)		\$16.19	J / (B.2 * D)
Non-Residential (\$/GSF)		\$11.58	J / (B.2 * C)
Maximum Supportable Impact Fees: Downtown			
Downtown Markup		20%	Email from SFDPW staff, 12/16/2019
Residential (\$/GSF)		\$19.42	
Non-Residential (\$/GSF)		\$13.89	

⁴³ Based on complete streets improvements required of projects under construction in Q2 2019. See Section 4.1.2 for more details.

4.3 Nexus Findings

Based on the approach in Table 18, the maximum supportable citywide impact fees for complete streets infrastructure are \$16.19 per gross square foot for residential development and \$11.58 per gross square foot for non-residential development. The maximum supportable downtown impact fees are \$19.42 per gross square foot for residential development and \$13.89 per gross square foot for non-residential development.

TABLE 19: MAXIMUM SUPPORTABLE IMPACT FEES FOR COMPLETE STREETS INFRASTRUCTURE

	Maximum Supportable Citywide Fee
Total Complete Streets Fee: Citywide	
Residential (\$/GSF)	\$16.19
Non-Residential (\$/GSF)	\$11.58
Total Complete Streets Fee: Downtown	
Residential (\$/GSF)	\$19.42
Non-Residential (\$/GSF)	\$13.89

As Table 20 demonstrates, the maximum supportable impact fee is above the highest fee currently charged for both residential and non-residential development, citywide and in downtown. Furthermore, the maximum supportable impact fee is more than 10 percent higher than each existing fee.

TABLE 20: COMPARING PROPOSED MAXIMUM SUPPORTABLE COMPLETE STREETS INFRASTRUCTURE FEES TO EXISTING (2019) FEES

	Proposed (Max)	Existing (Max)	Percent of Existing Fee Covered by Maximum Supportable Fee (Maximum/Existing)	Proposed Max > 10% Above Existing
Citywide				
Residential (\$/GSF)	\$16.19	\$8.15	199%	YES
Non-Residential (\$/GSF)	\$11.58	\$8.25	140%	YES
Downtown				
Residential (\$/GSF)	\$19.42	\$17.04	114%	YES
Non-Residential (\$/GSF)	\$13.89	\$11.74	118%	YES

5 Transit Infrastructure

5.1 Introduction

This chapter summarizes the nexus analysis for transit infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *2021 San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the maximum supportable impact fee, and the final determination of the maximum supportable impact fee.

The Transportation Sustainability Fee (TSF) is a citywide development fee that funds costs associated with increased transit service provided by the San Francisco Municipal Transportation Agency (SFMTA) to accommodate development impacts. The TSF is an update of the former Transit Impact Development Fee (TIDF) which was initially adopted in 1981 and applied only to downtown office development. In 2004 the City

substantially revised and expanded the TIDF to apply to most nonresidential development citywide. In 2015 the City revised its transportation fee, introducing the Transportation Sustainability Fee, that, among other things, introduced the transportation fee to residential development, and would over time, replace the existing TIDF fee for commercial development. The TSF establishes the maximum justifiable fee that the City may charge for transit infrastructure. The TSF applies to development in all areas of the City, in addition to an Area Plan with a separately specified transit fee. Area Plan transit fees and the TSF added together may not exceed the nexus amount to ensure compliance with the Mitigation Fee Act.

5.1.1 Transit Infrastructure Background

San Francisco has a mature, built-out transportation network providing rights-of-way (streets, sidewalks, bike paths, and separate light rail corridors) for all modes of travel. On a typical weekday, this network accommodates about 3.2 million trips to, from, or within the City.⁴⁴ The SFMTA is responsible for regulating or providing all modes of surface transportation within the City including public transit, bicycling, pedestrian planning (partnering with the Department of Public Works), accessibility, parking and traffic management, and taxi regulation. The transportation system is the citywide network of public facilities⁴⁵ that support transportation services for all modes of travel (auto, transit, bicycle, and pedestrian). The SFMTA seeks to provide mobility for its customers through whatever mode they choose.

The Municipal Railway (Muni) is San Francisco's extensive local transit system and is the largest SFMTA operating division. San Francisco is the nation's second most densely populated major city, and Muni is one of the most heavily ridden transit systems in the country on a per capita basis. The system has over 700,000 boardings on an average weekday. Muni focuses on serving downtown employment centers during the morning and afternoon peak periods and also provides cross-town and neighborhood service. With over 70 bus routes and rail lines nearly all city residents are within two blocks of a Muni stop. With nearly 1,000 vehicles, the Muni fleet is unique and includes historic streetcars, biodiesel and electric hybrid buses, electric trolley coaches, light rail vehicles, paratransit cabs and vans, and cable cars.

The City is a major regional destination for employment, shopping, tourism, and recreation. As a result, connections with other parts of the Bay Area are also critical components of the City's transportation system. Due to constraints from water bodies and topography, regional gateways for road vehicles are limited to the Golden Gate Bridge to the north, the Bay Bridge to the east, and two highways (Interstate 280 and Hwy. 101) extending south. Caltrans owns and operates the freeways and funds maintenance of the local highway network within San Francisco, including Hwy. 101 (including Van Ness Avenue and Lombard Street), Hwy. 280, Hwy. 1, and Route 35 (Skyline Boulevard).

There is also a transit rail tunnel under the Bay operated by Bay Area Rapid Transit (BART) and terminals to accommodate ferry travel. The primary regional transit operators that serve the City include:

- Alameda-Contra Costa Transit District ("AC Transit" serving Alameda and Contra Costa counties)
- Bay Area Rapid Transit District ("BART" serving Alameda, Contra Costa, and San Mateo counties)
- Golden Gate Bridge, Highway and Transportation District ("Golden Gate Bus" and "Golden Gate Ferry" serving Marin and Sonoma counties)
- Peninsula Corridor Joint Powers Board ("Caltrain" serving San Mateo and Santa Clara counties)
- San Mateo County Transit District ("SamTrans" serving San Mateo County).
- San Francisco Bay Area Water Emergency Transportation Authority ("WETA" or "San Francisco Bay Ferry")

⁴⁴ San Francisco Transportation Sustainability Fee (TSF) Nexus Study, May 2015. The data cited refers to "trips", not "trip ends", as explained in the *Trip Generation* section of Chapter 2.

⁴⁵ Private parking lots, shuttles, ride hailing companies, garages, and a few private streets are the only non-public components of the City's transportation facilities.

servicing Alameda, Marin, and San Mateo counties)

5.1.2 Purpose and Use of Revenues

The City's transportation system is already highly congested, including significant transit crowding, under current conditions. Congestion occurs particularly during morning and afternoon commute hours in the same eastern areas of the City that are also expected to experience the most development. Pedestrian and bicycle activity will also increase in congested areas. This increased travel activity will directly affect the performance of the City's transportation system and constrain the City's ability to achieve its transportation system goals.

As a dense and built-out urban environment, the City does not have the option of physically expanding its roadways to accommodate more automobiles. Instead, the City's *Transit First* policy directs investments to transit, bike, and pedestrian modes of travel to improve transportation services within the City and shift travel away from the use of single-occupant autos.⁴⁶ These investments include increased transit capacity to relieve crowding on key lines as well as pedestrian and bicycle improvements to support increased walk and bike trips. This investment policy thus benefits all travel modes. Those choosing to travel by transit, bicycle, or walking benefit from improvements to the facilities associated with these modes. Those choosing to drive benefit from the congestion reduction caused by the increased use of transit, bicycle, or pedestrian modes associated with these improvements.

To determine the maximum possible transit fee supported by the nexus, this analysis updates two components of the TSF: one component to fund transit capital maintenance, and one component to fund transit capital facilities, discussed below. Each component is calculated separately and then summed to calculate the TSF. Taken together these two components represent the potential use of fee revenues from either the TSF or any of the Area Plan transit fees. Though the TSF is calculated based on transit maintenance and facilities, fee revenues may be used for pedestrian and bicycle improvements to complement revenue from the Complete Streets fee, including Area Plan complete street fees. Increased pedestrian and bicycle activity have the effect of reducing both auto congestion and transit overcrowding, both of which improve transit levels of service.

5.1.2.1 SFMTA Transit Capital Maintenance Component

The transit capital maintenance component of the TSF is based on the same methodology used in the *2015 TSF Nexus Study* updated using the most currently available input data. Revenues are used for capital maintenance operating costs to improve vehicle reliability thereby expanding transit services. The relationship between development and the transit capital maintenance component is summarized below:

- Need for transit capital maintenance: The impact of development on the need for additional transit capital maintenance is based on maintaining the existing transit level of service (transit LOS) as growth occurs. The existing transit LOS is the current ratio of the supply of transit services (measured by transit revenue service hours) to the level of transportation demand (measured by number of auto plus transit trips). As development generates new trips, the SFMTA must increase the supply of transit services and therefore capital maintenance expenditures to maintain the existing transit LOS.
- Use of TSF transit capital maintenance revenue: The benefit to development from the use of fee revenues comes from improving transit vehicle maintenance that increases the availability of vehicles to increase transit service. SFMTA's transit vehicles include motor coaches (buses), trolley coaches (electric buses), light rail vehicles, historic streetcars, and cable cars. Improved vehicle maintenance directly increases revenue service hours by reducing the amount of time that a vehicle is out of service. Fee revenues associated with the Transit Capital Maintenance Component may not fund capital facilities costs to avoid overlap with the transit capital facilities component of the TSF (see description

⁴⁶ City and County of San Francisco, *1996 Charter* (as amended through November 2013), Section 8A.115.

of use of revenues in Section 5.1.2.2, below), nor costs in the two categories excluded from the level of service calculation in Table 5.3 (non-vehicle maintenance costs and general administration).

5.1.2.2 Transit Capital Facilities Component

The transit capital facilities component of the TSF is based on the same methodology used in the *2015 TSF Nexus Study*, updated to include the most currently available input data. This component is based on new development’s fair share of transit expansion capital project costs based on the most current list of planned capital projects and programs, constrained to reasonably anticipated funding including the TSF. Examples include transit fleet expansion, improvements to increase SFMTA transit speed and reliability, and improvements to regional transit operators such as Caltrain. The relationship between development and the transit capital facilities component of the TSF is summarized below:

- Need for expanded transit capital facilities: Development increases the need for expanded transit facilities due to increased transit and auto trips. The fair share cost of planned transit facilities is allocated to new development based on trip generation from new development as a percent of total trip generation served by the planned facility, including existing development.
- Use of TSF transit capital facilities component revenue: Fee revenues will benefit new development by funding new or expanded transit capital facilities that will support increased transit services.

5.2 Nexus Determination

5.2.1 Growth Projections

The TSF nexus analysis is based on citywide development estimates for 2019 and development projections for 2040 to be consistent with projections used for regional transportation planning and provided by the Association of Bay Area Governments (ABAG). These 21-year projections are consistent with the summary projections presented in Section 1.3.3 and used elsewhere in this report, but they are broken down differently for the purposes of the transit infrastructure category. Estimates of growth in dwelling units and jobs, the metrics used to estimate impacts on the transportation system, are summarized in Table 21. In the appendix, Table 44 and Table 45 provide additional detail on the source of the 2019 estimates and 2040 projections.

TABLE 21: GROWTH PROJECTIONS FOR TRANSIT INFRASTRUCTURE (2019 – 2040)⁴⁷

	2019	2040	2019 – 2040 Growth	
			Amount	Percent
Residential				
Households	402,772	483,693	80,921	20%
Housing Units	402,800	509,200	106,400	26%
Vacancy Rate	0.0%	5.0%		
Nonresidential (Jobs)				
Management, Information & Professional Services	422,273	498,633	76,360	18%
Retail/Entertainment	118,350	117,192	(1,158)	(1%)
Cultural/Institution/Education	91,319	90,848	(471)	(1%)
Medical and Health Services	49,064	67,292	18,228	37%
Visitor Services	25,581	24,788	(793)	(3%)
Production, Distribution, Repair	61,773	73,757	11,984	19%
Total Employment	768,360	872,510	104,150	14%

⁴⁷ Table 44 and Table 45.

The growth projections summarized in Table 21 are converted to motorized vehicle trip generation and summarized in Table 22. In the appendix, Table 44 through Table 46 provide detail on the calculation of trip generation based on the land use data and the trip generation rates shown in Appendix Table 47.

TABLE 22: SUMMARY OF TRIP GENERATION⁴⁸

	Trip Generation 2019	Trip Generation 2040	Growth in Trip Generation
Housing	2,066,000	2,439,000	373,000
Nonresidential (ex. PDR)	5,018,000	5,304,000	286,000
Production, Distribution, Repair (PDR)	237,000	282,000	45,000
Total	7,321,000	8,025,000	704,000

5.2.2 LOS Metric

5.2.2.1 SFMTA Transit Capital Maintenance Component

As explained in the *2021 San Francisco Infrastructure Level of Service Analysis*, the LOS metric for transit capital maintenance is the current ratio of the supply of transit services (measured by transit revenue service hours) to the level of transportation demand (measured by number of auto plus transit trips). The calculation includes both transit and auto trips because an increase in the former generates additional demand for transit, and an increase in the latter generates additional transit delays due to increased auto congestion causing a need for additional transit service. The current LOS standard is 1.45 revenue service hours per 1,000 daily trips.

5.2.2.2 Transit Capital Facilities Component

As explained in the *2021 San Francisco Infrastructure Level of Service Analysis*, the LOS metric for transit capital facilities is measured in terms of passenger miles traveled in crowded versus uncrowded conditions systemwide on an average daily basis. The analysis in that report indicated that in 2040, despite improvements in transit infrastructure, crowding will increase to 20 percent from the existing LOS standard of 15 percent.

5.2.3 Nexus Methodology & Fee Calculation

5.2.3.1 Transit Capital Maintenance Component

The TSF accommodates the impact of development by funding additional SFMTA transit capital maintenance to maintain the existing SFMTA transit LOS. As discussed above, transit LOS is based on the existing number of revenue service hours per trip (amount of transit service divided by transit plus auto person trips). The net cost per revenue service hour is shown in Table 23. Non-vehicle maintenance costs and general administrative costs are deducted because these costs are not directly related to providing expanded transit service. Fare box revenue is also deducted because transit system users from development projects would pay fares to offset costs. Other SFMTA funding is not deducted because it is not restricted to uses that increase service. Capital expenditures and funding are not included in the transit capital maintenance component of the TSF. The transit capital impacts of development are addressed separately in the transit capital facilities component of the TSF (see next section).

⁴⁸ Table 44, Table 45, and Table 46: San Francisco Development and Trip Generation 2040.

TABLE 23: NET ANNUAL COST PER REVENUE SERVICE HOUR⁴⁹

	Formula	Amount
Total Operating Costs	a	\$819,700,000
Excluded Operating Costs & Deduct Farebox Revenue		
Non-Vehicle Maintenance	b	\$ (82,900,000)
General Administration	c	(145,400,000)
Farebox Revenue	d	(197,000,000)
Subtotal	e = b + c + d	(425,300,000)
Net Annual Costs	f = a + e	\$394,400,000
Average Daily Revenue Service Hours	g	10,646
Net Annual Cost per Daily Revenue Service Hour	h = f / g	\$37,047

The maximum justified fee for the transit capital maintenance component is based on the net annual cost per revenue service hour converted to a cost per trip. The cost per trip takes into account that the fee is paid once when a development project receives a building permit, but transit service must be provided for years following to serve that development project. The net annual cost per trip is multiplied by a net present value factor representing the funding needed over a 45-year period to provide the additional transit service. These calculations are shown in Table 24, with supporting calculations shown in the appendix, Table 48 and Table 49.

TABLE 24: TRANSIT CAPITAL MAINTENANCE COST PER TRIP⁵⁰

	Formula	Amount
Net Annual Cost per Revenue Service Hour	a	\$37,047
Revenue Service Hours per 1,000 Average Daily Trips	b	1.45
Net Annual Cost per Average Daily Trip ⁵¹	c = a * b / 1,000	\$53.72
Net Present Value Factor ⁵²	d	73.93
Total Cost per Trip	e = c * d	\$3,972

The maximum justified transit capital maintenance component of the TSF is based on the cost per trip shown in Table 24 multiplied by the trip generation rates for each economic activity category from Table 46: San Francisco Development and Trip Generation 2040 46. Because cost inputs from Table 24 are based on 2017 data, the fee is inflated to 2020 using the City's annual infrastructure construction cost inflation index. The maximum justified fee is shown in Table 25. The variance in the fee by economic activity category based on trip generation, and the scaling of the fee based on the size of the development project, supports a reasonable relationship between the amount of the fee and the share of transit capital maintenance attributable to each development project.

⁴⁹ U.S. Department of Transportation, Federal Transit Administration, National Transit Database, 2017 Annual Database Operating Expense (<https://www.transit.dot.gov/ntd/data-product/2017-annual-database-operating-expense>); Table 21.

⁵⁰ 2021 San Francisco Infrastructure Level of Service Analysis, Table 18; Table 23 and Table 49.

⁵¹ Auto and transit trips only. Excludes bicycle and pedestrian trips.

⁵² Net present value factor represents the multiplier for \$1.00 in annual costs to be fully funded over a 45-year period, given interest earnings and inflation.

TABLE 25: TRANSIT CAPITAL MAINTENANCE COMPONENT MAXIMUM JUSTIFIED FEE⁵³

Economic Activity Category	Cost per Trip	Trip Generation Rate (per 1,000 sq. ft.)	Maximum Justified Transit Capital Maintenance Fee (2017\$) (per sq. ft.)	Maximum Justified Transit Capital Maintenance Fee (2020\$) (per sq. ft.)
Residential	\$3,972	3.48	\$13.82	\$16.34
Nonresidential (ex. PDR)	\$3,972	12.02	\$47.74	\$56.46
Production, Distribution, Repair (PDR)	\$3,972	6.72	\$26.69	\$31.56

5.2.3.2 Transit Capital Facilities Component

The impact of increased trip generation from development on the need for expanded transit capital facilities is accommodated by a list of major proposed projects and programs drawn from the SFMTA's most recent long-range plan, the Transportation 2045 report (T2045). Only projects and programs that directly address transit overcrowding by maintaining or expanding transit facilities or that otherwise improve transit service are anticipated to be funded in part by TSF revenue are included in this nexus analysis. The total cost of each project or program is allocated to new development and the TSF is based on one of the following two fair share cost allocation methods:

- Method 1: If the project or program includes both replacement and expansion of an existing transit facility then the total cost is allocated to trips generated by existing and new (2019-2040) development because all development is assumed to be associated with the need for the project or program. Existing development is based on 2019 land use and new development includes all development, Citywide.
- Method 2: If the project or program only provides expanded transit capacity needed to serve demand from new development then the total cost is allocated only to trips generated by new development, because only new development is associated with the need for the project or program.

As shown in Table 26, Method 1 results in an allocation of 8.8 percent of the total cost to new development and the TSF. Method 2 results in an allocation of 100 percent of total cost to new development and the TSF.

TABLE 26: TRIP GENERATION SHARES⁵⁴

Development	Trip Generation	Method 1	Method 2
		Growth Share of 2040 Total	Growth Only
2019 Development	7,321,000	91.2%	NA
2019-2040 Development	704,000	8.8%	100.0%
2040 Development	8,025,000	100.0%	NA

The planned projects and programs used to calculate the transit capital facilities component of the TSF are

⁵³ Table 24, Table 46: San Francisco Development and Trip Generation 2040, and One SF, *2020 Annual Infrastructure Construction Cost Inflation Estimate*, October 21, 2019.

⁵⁴ Table 44, Table 45, and Table 46: San Francisco Development and Trip Generation 2040.

shown in Table 27. The planned facilities and costs are identified in supporting documents for the T2045 report (*San Francisco Transportation 2045 Task Force Report*, January 2018). All costs reflect 2017 dollars. The planned projects and programs are shown in three major facility categories:

- Muni Fleet, Facilities and Infrastructure
- Transit Optimization and Expansion
- Regional Transit and Smart Systems Management

Total costs are reduced by 19 percent (to 81 percent of total) to adjust from a 2045 to a 2040 planning horizon, consistent with the growth projections used in this analysis. Furthermore, based on the 2045 projections of costs and funding, currently anticipated funding from existing revenue sources is about 30 percent of total estimated costs. Therefore, total costs are reduced to a level where existing anticipated revenue sources excluding TSF revenue are 70 percent of total costs. Remaining costs would be funded by the TSF and new revenue sources to be identified over the 20-year period.

TABLE 27: TRANSIT CAPITAL FACILITIES (\$ MILLION)⁵⁵

Expenditure Category / Project or Program	Total 2045 Cost (in millions)	Total 2040 Cost (in millions)	Total 2040 Cost (Revised) ⁵⁶ (in millions)
Muni Fleet, Facilities and & Infrastructure			
Facilities, New	\$1,111	\$900	\$141
Facilities, State of Good Repair	3,593	2,910	1,471
Fixed Guideway, State of Good Repair	1,363	1,104	853
Fleet, New	827	670	289
Fleet, State of Good Repair	5,862	4,748	2,234
Subtotal	\$12,756	\$10,332	\$4,988
Transit Optimization & Expansion			
Core Capacity & Transit Enhancements	\$1,743	\$1,412	\$1,177
Major Capital Projects	\$5,853	\$4,741	\$1,397
Muni Forward	525	425	87
Subtotal	\$8,121	\$6,578	\$2,661
Regional Transit & Smart Systems Management			
Caltrain Modernization & SOGR, SF share	\$285	\$231	\$130
BART Vehicles (SF Share)	200	162	-
Downtown Caltrain Extension (DTX) (SF share)	387	313	43
Smart Technology	210	170	54
Transportation Demand Management	145	117	41
Subtotal	\$1,227	\$994	\$268
Total	\$22,103	\$17,904	\$7,917

⁵⁵ SFMTA supporting documents prepared for the *San Francisco Transportation 2045 Task Force Report*, January 2018. "SOGR" is "State of Good Repair".

⁵⁶ To reflect funding constraints, total 2040 costs are reduced so that reasonably anticipated funding by 2040 (see Table 29), exclusive of TSF revenue and new revenue sources to be identified, is 70 percent of costs.

Table 28 displays the reasonably anticipated funding from existing transit capital facilities revenue sources other than TSF revenue for each of the projects and programs listed in Table 27. Other anticipated sources of revenue include federal, state, regional and local revenues, and were identified in supporting documents for the T2045 report. The “Local” column in the table does not include TSF funding.

The total CIP cost is then allocated to new development and existing development based on the allocation methods discussed above depending on whether the capital improvement item is needed solely as a result of new development, or if the improvement is needed to serve both existing and future development. This allocation is detailed in Table 29.

TABLE 28: TRANSIT CAPITAL FACILITIES ANTICIPATED FUNDING (\$ MILLION)⁵⁷

Expenditure Category / Project or Program	Federal	State	Regional	Local ⁵⁸	2045 Total Anticipated Funding	2040 Total Anticipated Funding ⁵⁹
Muni Fleet, Facilities & Infrastructure						
Facilities, New	\$ -	\$123	\$ -	\$ -	\$ 123	\$ 99
Facilities, State of Good Repair	583	267	-	422	1,272	1,030
Fixed Guideway, State of Good Repair	262	212	100	163	737	597
Fleet, New	81	123	-	45	249	202
Fleet, State of Good Repair	1,203	267	-	460	1,931	1,564
Subtotal	\$2,130	\$991	\$100	\$1,090	\$4,311	\$3,492
Transit Optimization and Expansion						
Core Capacity & Transit Enhancements	\$659	\$246	\$ -	\$113	\$1,017	\$824
Major Capital Projects	628	442	-	137	1,207	978
Muni Forward	-	-	-	75	75	61
Subtotal	\$1,288	\$688	\$ -	\$325	\$2,300	\$1,863
Regional Transit and Smart Systems Management						
Caltrain Modernization & SOGR (SF share)	\$20	\$49	\$ -	\$42	\$112	\$91
BART Vehicles (SF share)	-	-	-	-	-	-
Downtown Caltrain Extension (DTX) (SF share)	-	-	-	37	37	30
Smart Technology	-	-	26	21	47	38
Transportation Demand Management	-	30	-	6	36	29
Subtotal	\$20	\$79	\$26	\$105	\$231	\$188
Total	\$3,438	\$1,758	\$126	\$1,521	\$6,842	\$5,543

⁵⁷ SFMTA supporting documents prepared for the *San Francisco Transportation 2045 Task Force Report*, January 2018. "SOGR" is "State of Good Repair".

⁵⁸ Excludes TSF revenue.

⁵⁹ T2045 costs reduced 19 percent to reflect 2040 planning horizon.

TABLE 29: TRANSIT CAPITAL FACILITIES FAIR SHARE COST ALLOCATION (\$ MILLION)⁶⁰

Expenditure Category / Project or Program	Total CIP Cost (in millions)	Allocation Method ⁶¹	Fair Share Cost Allocation	Existing Development (2019)	Potential TSF Cost Share
Muni Fleet, Facilities & Infrastructure					
Facilities, New	\$ 141	2	100.0%	\$ -	\$ 141
Facilities, State of Good Repair	1,471	1	8.8%	1,342	129
Fixed Guideway, State of Good Repair	853	1	8.8%	778	75
Fleet, New	289	2	100.0%	-	289
Fleet, State of Good Repair	2,234	1	8.8%	2,037	197
Subtotal	\$4,988			\$4,157	\$ 831
Transit Optimization and Expansion					
Core Capacity & Transit Enhancements	\$1,177	2	100.0%	\$ -	\$1,177
Major Capital Projects	1,397	2	100.0%	-	1,397
Muni Forward	87	1	8.8%	-	87
Subtotal	\$2,661			\$ -	\$2,661
Regional Transit and Smart Systems Management					
Caltrain Modernization & SOGR (SF share)	\$ 130	1	8.8%	\$ 119	\$ 11
BART Vehicles (SF share)	-	2	100.0%	-	-
Downtown Caltrain Extension (DTX) (SF share)	43	1	8.8%	39	4
Smart Technology	54	1	8.8%	49	5
Transportation Demand Management	41	1	8.8%	37	4
Subtotal	\$ 268			\$244	\$ 24
Total	\$7,917			\$4,401	\$3,516

⁶⁰ Table 26 and Table 27.⁶¹ Method 1 allocates costs based on total trip generation in 2040 (existing and new development). Method 2 allocates costs based only on trip generation from new development (2019-2040).

The potential TSF cost share shown in Table 30 must be adjusted for anticipated funding to calculate the maximum justified funding that could be provided by the TSF. Maximum justified TSF funding is based on applying any estimated funding from existing revenue sources after funding of the existing development cost share. Anticipated funding is first allocated to the existing development cost share. Any funding remaining after allocation to the existing development cost share is then deducted from the TSF cost share. Table 30 shows the maximum justified TSF funding for the transit capital facilities component based on this approach.

TABLE 30: TRANSIT CAPITAL FACILITIES MAXIMUM JUSTIFIED TSF FUNDING SHARE (\$ MILLION)⁶²

Expenditure Category / Project or Program	Total Programmed Funding	Existing Development Cost Share	Net Programmed Funding Available For TSF Cost Share	Potential TSF Cost Share	Maximum Justified TSF Funding
<i>Formula</i>	<i>a</i>	<i>b</i>	<i>c = a - b⁶³</i>	<i>d</i>	<i>e = d - c</i>
Muni Fleet, Facilities & Infrastructure					
Facilities, New	\$99	\$ -	\$99	\$141	\$42
Facilities, State of Good Repair	1,030	1,342	-	129	129
Fixed Guideway, State of Good Repair	597	778	-	75	75
Fleet, New	202	-	202	289	87
Fleet, State of Good Repair	1,564	2,037	-	197	197
Subtotal	\$3,492	\$4,157	\$301	\$831	\$530
Transit Optimization and Expansion					
Core Capacity & Transit Enhancements	\$824	\$ -	\$824	\$1,177	\$353
Major Capital Projects	978	-	978	1,397	419
Muni Forward	61	-	61	87	26
Subtotal	\$1,863	\$ -	\$1,863	\$2,661	\$798
Regional Transit and Smart Systems Management					
Caltrain Modernization & SOGR	\$91	\$119	\$ -	\$11	\$11
BART Vehicles (SF share)	-	-	-	-	-
Downtown Caltrain Extension (DTX)	30	39	-	4	4
Smart Technology	38	49	-	5	5
Transportation Demand Management	29	37	-	4	4
Subtotal	\$188	\$ 244	\$ -	\$24	\$24
Total	\$5,543	\$4,401	\$2,164	\$3,516	\$1,352

The fee schedule for the TSF transit capital facilities component is based on the maximum justified cost per trip and is shown in Table 31. The cost per trip is based on the maximum justified TSF and the total number of trips generated by new development.

⁶² Table 28 and Table 29.

⁶³ Unless negative, then \$0.

TABLE 31: TRANSIT CAPITAL FACILITIES COST PER TRIP⁶⁴

	Amount
Maximum Justified TSF Funding	\$1,352,000,000
Total Trip Generation	704,000
Cost per Trip	\$1,920

The maximum justified fee for each economic activity category is based on the cost per trip shown in Table 31 multiplied by the trip generation rates for each category. The maximum justified fee schedule is shown in Table 32. The variance in the fee by economic activity category based on trip generation, and the scaling of the fee based on the size of the development project, supports a reasonable relationship between the amount of the fee and the share of transit capital facilities attributable to each development project.

TABLE 32: TRANSIT CAPITAL FACILITIES COMPONENT MAXIMUM JUSTIFIED FEE⁶⁵

Economic Activity Category	Cost per Trip	Trip Generation Rate (per 1,000 sq. ft.)	Maximum Justified Transit Capital Facilities Fee (2017 \$) (per sq. ft.)	Maximum Justified Transit Capital Facilities Fee (\$2020) (per sq. ft.)
Residential	\$1,920	3.48	\$6.68	\$7.90
Nonresidential (excl. PDR)	\$1,920	12.02	\$23.08	\$27.29
Production, Distribution, Repair (PDR)	\$1,920	6.72	\$12.90	\$15.26

5.3 Nexus Findings

The maximum justified Transportation Sustainability Fee is the sum of the two component fees presented in this chapter. The maximum justified TSF is shown in Table 33 per square foot of building space. As explained in the introduction to this chapter, the TSF establishes the maximum justifiable fee that the City may charge for transit infrastructure. The City also imposes various transit fees through area plans in addition to the citywide TSF. Area Plan transit fees and the TSF added together may not exceed the nexus amount to ensure compliance with the Mitigation Fee Act Area. Thus, the maximum justified TSF represents the maximum justified transit fee that the City can adopt either citywide or through an area plan.

⁶⁴ Table 22 and Table 30.

⁶⁵ Table 31 and Table 46.

TABLE 33: MAXIMUM JUSTIFIED TSF

Economic Activity Category	Maximum Justified Transit Fee per Square Foot including Area Plan Fees		
	Maximum Justified Transit Sustainability Fee		
	Transit Capital Maintenance	Transit Capital Facilities	Total
	Residential	\$16.34	\$7.90
Nonresidential (ex. PDR)	\$56.46	\$27.29	\$83.75
Production, Distribution, Repair (PDR)	\$31.56	\$15.26	\$46.82

As Table 34 demonstrates, the highest current total transit impact fees are less than the maximum amount supported by the nexus analysis for non-residential development. The maximum supportable non-residential nexus fee is 110 percent of the existing highest non-residential transit fee. For residential development, the highest existing transit fee occurs in areas subject to the combined TSF, Eastern Neighborhoods, and Central SoMa Infrastructure fees. In those areas the existing transit fee is higher than the maximum supported by the nexus analysis. The maximum supportable residential nexus fee is 74 percent of the combined transit fees in those areas. In Ordinance No. 47-21, the Board of Supervisors amended Section 433.3 to clarify that the permissible uses of the Central SoMa Infrastructure fees include recreation and open space infrastructure projects, as envisioned by the Central SoMa Implementation Strategy. As stated in the ‘Note-to-File: Distribution of Funds Collected from the Central SoMa Infrastructure Fee’ from SF Planning included in section 10.3 of the Appendix, of the \$20 Residential Central SoMa Infrastructure fee for Tier B projects (in 2019 dollars) no more than \$9.53 would go toward transit, leaving at least \$10.47 to go toward Recreation and Open Space. Therefore, the combination of the EN Infrastructure Fee revenue going toward transit, the Central SoMa Infrastructure Fee revenue going toward transit and the TSF is no greater than the nexus amount established in Table 34 below.

Table 34: Comparing Proposed Maximum Supportable Transit Infrastructure Fees to Existing (2019) Fees

	Proposed (Max)	Existing (Max)	Percent of Existing Fee Covered by Maximum Supportable Nexus (Maximum/Existing)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$24.24	\$22.04	110%	YES
PDR (\$/GSF)	\$46.82	\$9.45	495%	YES
Non-Residential (ex. PDR) (\$/GSF)	\$83.75	\$76.52	110%	YES

6 Library Facilities

This chapter summarizes the nexus analysis for library facilities. After providing brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *2021 San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

6.1 Introduction

6.1.1 Library Facilities Background

Library facilities serve a vital role in the San Francisco community fabric. In addition to traditional offerings like recreational books and research resources, libraries serve as community gathering sites, aid patrons in accessing government resources such as employment services and tax filing, and provide internet services to the San Francisco public, especially important for those who do not have access to the internet elsewhere in their life. Essential to all these offerings is the infrastructure necessary to provide space and equipment.

As new residential and non-residential development occurs, it brings an increased demand for new (or expanded and improved) library infrastructure. This relationship between new development, an influx of residents, and a demand for library infrastructure provides the nexus for an impact fee. Library facility fees, imposed on new development, are collected to help fund the construction of new library infrastructure for the additional residents directly attributable to new development.

Note that the library facilities methodology analyzes increased demand based on projected residential growth, rather than growth in both residents and employees. This is because, although any California resident can obtain a San Francisco library card, library users typically use libraries closer to their home, and non-resident workers in San Francisco are no more likely to use San Francisco libraries than other residents of the Bay Area who live outside of the City.⁶⁶ Furthermore, a survey of infrastructure standards in other cities across North America found that library infrastructure is typically measured against residents, not service population units. For more information, see the *2021 San Francisco Infrastructure Level of Service Analysis*.

6.1.2 Purpose and Use of Revenues

Currently, the City does not charge development impact fees for library infrastructure. The primary purpose of a library facilities impact fee would be to fund expansion of San Francisco's public library capacity to meet the demand generated by new development. That is, impact fee revenues would be intended to mitigate the library demands of the increasing population. Monies from the library impact fee may only be used to fund capital library projects and facilities.

Note that library facilities include a wide range of capital needs: buildings to house library branches and central destinations, computers to provide internet access to the public, tables and chairs to provide study areas and community meeting spaces, bookshelves, and of course lending and reference materials such as books, magazines, and newspapers.⁶⁷ In addition, providing internet for job applications and other necessary functions for individuals with no other internet access is a vital function for City residents.⁶⁸ Serving as a community gathering site is also rapidly becoming one of the most important characteristics public libraries offer the San Francisco community.⁶⁹

This study estimates the maximum supportable fee based on the relationship between the cost to provide library facilities and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

6.2 Nexus Determination

The maximum supportable fee calculation for library facilities combines the proposed library infrastructure

⁶⁶ Conversation with SFPL staff on June 26, 2019.

⁶⁷ A sample of San Francisco Public Library infrastructure items can be found in the Main Library Fact Sheet: <https://sfpl.org/sites/default/files/pdf/libraries/main/about/mainlibraryfactsheet.pdf>. Accessed March 11, 2020.

⁶⁸ American Library Association, *State of America's Libraries Report 2019*.

⁶⁹ Discussion with Planning Department and library staff, October 23, 2019, and April 16, 2020.

provision LOS metric with total population growth projection and the cost to provide library facilities.

6.2.1 LOS Metric

Although library infrastructure comprises a wide range of components as discussed in Purpose and Use of Revenues above, the LOS metric put forth in the *2021 San Francisco Infrastructure Level of Service Analysis* – square feet of library space per resident – encompasses, undifferentiated, library facilities of all types.

As noted in the *2021 San Francisco Infrastructure Level of Service Analysis*, the City currently provides 0.67 square feet of library space per City resident, and has a short-term goal of continuing to provide at least 0.6 square feet of library space per new resident. Note that this short-term goal represents a 10 percent reduction from the current level of service, and is in line with San Francisco Public Library (SFPL)’s plans for expansion in the near future.⁷⁰ For more information, see the *2021 San Francisco Infrastructure Level of Service Analysis*. This metric assumes that for each new resident, the City will provide an equivalent level of service, whether it comes in the form of new library space or capacity improvements to existing library space (see Nexus Methodology & Fee Calculation section below for more detail).

6.2.2 Growth Projections

The horizon for projected growth in demand for library facilities is 2025. Between 2019 and 2025, San Francisco is projected to gain 73,584 residents (Table 35). Note that, although the development and fee collection is projected to occur between 2019 and 2025, infrastructure acquisition and development cannot occur until after fee collection, and may not be completed by 2025.

TABLE 35: GROWTH PROJECTIONS FOR LIBRARY INFRASTRUCTURE (2019 - 2025)

	2019	2025	Growth (2019 - 2025)	Percent Increase
Population				
Residents	908,336	981,920	73,584	8.1%

6.2.3 Nexus Methodology & Fee Calculation

The fee calculation methodology (Table 36) calculates the total cost of increasing library space to serve new residents (2019-2025). The fee is based on the gross square feet (GSF) of residential development due to the new resident population.

TABLE 36: NEXUS METHODOLOGY FOR LIBRARY INFRASTRUCTURE FEE

*	Measure	Value	Source/Calculation
Service Population			
A	Current residential population (2019)	908,339	Table 35
B	Projected residential population growth (2019-2025)	73,584	Table 35
Unit Conversions			
C	GSF of residential development per SPU	443	Table 4
D	GSF of commercial development per SPU	N/A	N/A
Metric			
E	Total square feet of all libraries (2019)	605,574	<i>2021 San Francisco</i>

⁷⁰ Confirmed in a meeting with SFPL staff on April 16th, 2020.

			<i>Infrastructure Level of Service Analysis</i>
F	Square feet of library per resident	0.6	<i>2021 San Francisco Infrastructure Level of Service Analysis</i>
Cost			
G	Incremental square feet of library required to maintain LOS	44,152	B * F
H	Cost of adding library space (\$/square foot)	\$1,760	Email from Randle McClure, SFPL, 9/16/2019
I	Total Cost for incremental library space	\$77,706,842.66	G * H
J	Administrative costs (5% of fee)	\$3,885,342	SF Planning
K	Total attributable cost with administrative costs	\$81,592,185	I + J
Maximum Supportable Impact Fees			
Residential (\$/GSF)		\$2.50	K / (B * C)
Non-Residential (\$/GSF)		N/A	N/A

6.3 Nexus Findings

Based on the approach in Table 36, the maximum supportable residential fee is \$2.50 per gross square foot. This study does not consider the supportability of a library facilities fee for commercial development.

TABLE 37: MAXIMUM SUPPORTABLE IMPACT FEES FOR LIBRARY INFRASTRUCTURE

	Maximum Supportable Citywide Fee
Total Library Fee	
Residential (\$/GSF)	\$2.50
Non-Residential (\$/GSF)	N/A

7 Fire Department Facilities

This chapter summarizes the nexus analysis for fire department facilities. After providing brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *2021 San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the maximum supportable impact fee, and the final determination of the maximum supportable impact fee.

7.1 Introduction

7.1.1 Fire Department Facilities Background

The San Francisco Fire Department (SFFD) provides vital emergency services to residents and employees in the City of San Francisco. Its services can largely be divided into two categories: fire suppression and emergency medical services (EMS). EMS in particular has been a rapidly-growing need over the last several years in the City.⁷¹ For both fire suppression and EMS, fire department facilities play an essential role in providing emergency services. Stations must be located throughout the City to ensure response times are sufficiently

⁷¹ Meeting with Jesus Mora and Olivia Scanlon, Fire Department staff, September 6, 2019.

fast. Ambulances and fire engines need to be available to transport personnel and equipment necessary to perform services.

As new residential and non-residential development occurs, it brings an increased demand for new (or expanded and improved) fire department infrastructure. This relationship between new development, an influx of residents and employees, and a demand for fire department infrastructure provides the nexus for an impact fee. Fire department facility fees, imposed on new development, help fund the construction of new fire department infrastructure for the additional residents and employees directly attributable to new development.

7.1.2 Purpose and Use of Revenues

The purpose of the fire department facilities impact fee is to fund expansion of San Francisco's fire department capacity to meet the demand from new development. That is, impact fee revenues are intended to be used to mitigate the fire department demands of the increasing population. Monies from the fire department impact fee may only be used to fund capital fire department projects and facilities.

Fire department facilities include two main categories of capital needs: buildings and vehicles. Examples of fire department buildings include fire houses and ambulance deployment centers, both essential facilities for providing fire suppression and EMS services. Vehicles primarily consist of fire engines and ambulances, and tend to move around different fire department buildings and other parts of the City depending on need.⁷²

This study estimates the maximum supportable fee based on the relationship between the cost to provide fire department facilities and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

7.2 Nexus Determination

The maximum supportable fee calculation for fire department infrastructure combines the proposed fire department infrastructure provision LOS metric with total population and employment growth projections and the cost to provide fire department infrastructure.

7.2.1 LOS Metric

Because department infrastructure encompasses a wide range of components, the LOS metric put forth in the *2021 San Francisco Infrastructure Level of Service Analysis* – fire department facilities per service population unit – serves as a proxy for all types of fire department infrastructure, and reflects the level of investment that the City has committed to making in fire suppression and EMS infrastructure.

As noted in the *2021 San Francisco Infrastructure Level of Service Analysis*, the City is currently responsible for providing 0.034 fire department facilities per service population unit, and aims to maintain this provision into the future. This metric assumes that for each new service population unit, the City will provide an equivalent level of service, whether it comes in the form of new fire department buildings or capacity improvements to existing fire department facilities by adding new capital infrastructure such as vehicles.

7.2.2 Growth Projections

The horizon for projected growth in demand for fire department facilities is 2025. Between 2019 and 2025, San Francisco is projected to gain 73,584 residents and 55,145 jobs (Table 38). Note that, although the development and fee collection is projected to occur between 2019 and 2025, infrastructure acquisition and development cannot occur until after fee collection, and may not be completed by 2025.

⁷² Meeting with Jesus Mora and Olivia Scanlon, Fire Department staff, September 6, 2019.

TABLE 38: GROWTH PROJECTIONS FOR FIRE DEPARTMENT INFRASTRUCTURE (2019 - 2025)

	2019	2025	Growth (2019 - 2025)	Percent Increase
Population				
Residents	908,336	981,920	73,584	8.1%
Employment				
Jobs	768,360	823,505	55,145	7.2%
Service Population Units (SPU)				
SPU	1,292,516	1,393,673	101,157	7.8%

7.2.3 Nexus Methodology & Fee Calculation

The fee calculation methodology (Table 40) calculates the total cost of providing adequate fire department facilities for San Francisco's service population (2019-2025).

In order to assign a development cost to the new infrastructure, Table 39 estimates the total replacement cost of existing fire department infrastructure. Table 40 then apportions this cost per fire department facility and applies that cost to the new facilities necessary to maintain the current level of service into 2025.

TABLE 39: SELECT FIRE DEPARTMENT INFRASTRUCTURE INVENTORY AND COSTS⁷³

SFFD Infrastructure Type	Number	Unit Cost	Total Replacement Cost
Vehicles			
Ambulance ⁷⁴	82	\$133,802	\$10,971,764
Chief ⁷⁵	19	\$42,324	\$804,156
Engine ⁷⁶	81	\$586,939	\$47,542,059
Specialty ⁷⁷	23	\$723,824	\$16,647,952
Truck ⁷⁸	42	\$1,324,545	\$55,630,890
Buildings			
Fire Houses	43	\$15,000,000	\$645,000,000
Ambulance Deployment Center	1	\$45,000,000	\$45,000,000
Totals			
Vehicle Subtotal			\$131,596,821
Building Subtotal			\$690,000,000
Total Infrastructure Cost			\$821,596,821

⁷³ Fire Department infrastructure inventory and costs provided by Jesus Mora, SFFD staff, in an email from September 12, 2019.

⁷⁴ "The Medic Unit's [Ambulance's] priority is emergency medical assistance." *San Francisco Fire Department Apparatus Inventory*, August 2009.

⁷⁵ "The Chief Vehicle is used by Battalions and Divisions. It is the command vehicle and has the capacity to serve as a command post." *San Francisco Fire Department Apparatus Inventory*, August 2009.

⁷⁶ "The Engine's first priority is fire extinguishment. Subsequent priorities include rescue and emergency medical assistance." *San Francisco Fire Department Apparatus Inventory*, August 2009.

⁷⁷ Specialty vehicles consist of a number of other SFFD unit types, including CO2 Unit, Mini Pumper, Mobile Air, Pollution Control Unit, Utility Unit, Surf Rescue Unit, Fireboat, and Hazardous Materials Unit. *San Francisco Fire Department Apparatus Inventory*, August 2009.

⁷⁸ "The Truck's first priority is rescue. Subsequent priorities include ventilation, salvage and overhaul." *San Francisco Fire Department Apparatus Inventory*, August 2009.

The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

TABLE 40: NEXUS METHODOLOGY FOR FIRE DEPARTMENT INFRASTRUCTURE FEE

*	Measure	Value	Source/Calculation
Service Population			
A.1	Current residential population (2019)	908,339	Table 38
A.2	Projected residential population growth (2019-2025)	73,584	Table 38
B.1	Current service population (2019)	1,292,516	Table 38
B.2	Projected service population growth (2019-2025)	101,157	Table 38
Unit Conversions			
C	GSF of residential development per SPU	443	Table 4
D	GSF of commercial development per SPU	620	Table 4
Metric			
E	Total number of fire department facilities (2019)	44	2021 San Francisco Infrastructure Level of Service Analysis
F	SFFD facilities per 1,000 service population units	0.034	2021 San Francisco Infrastructure Level of Service Analysis
Cost			
G	Incremental fire department facilities required to maintain LOS	3.4	$(B.2 / 1,000) * F$
H	Total cost of providing fire department facilities at current LOS	\$821,596,821	Table 39
I	Cost per current facility	\$18,672,655	H / E
J	Cost attributable to incremental growth	\$64,300,836	I * G
K	Administrative costs (5% of fee)	\$3,215,042	SF Planning
L	Total attributable cost with administrative costs	\$67,515,877	N + O
Maximum Supportable Impact Fees			
Residential (\$/GSF)		\$1.51	$L / (B * C)$
Non-Residential (\$/GSF)		\$1.08	$L / (B * D)$

7.3 Nexus Findings

Based on the approach in Table 40, the maximum supportable residential fee is \$1.51 per gross square foot, and the maximum supportable non-residential fee is \$1.08 per gross square foot.

TABLE 41: MAXIMUM SUPPORTABLE IMPACT FEES FOR FIRE DEPARTMENT INFRASTRUCTURE

	Maximum Supportable Citywide Fee
Total Firefighting Fee	
Residential (\$/GSF)	\$1.51
Non-Residential (\$/GSF)	\$1.08

8 Conclusion

As described in the previous sections, the maximum supportable fees determined for the six infrastructure categories (recreational and open space, child care, complete streets, transit, library, and fire department infrastructure) mostly exceed the highest current fees charged at either the citywide or neighborhood level, with the exception of the residential child care and transit fees. While the City may choose to charge a lesser fee to new residential or non-residential development, this report demonstrates that the current fees continue to be supported through a demonstrated nexus between new development and the scale of the fee, and establishes a nexus for two new fees to be added.

TABLE 42: MAXIMUM SUPPORTABLE FEES PER INFRASTRUCTURE CATEGORY (2019)

Citywide Nexus Fees	Maximum Supportable Fee
Recreational and Open Space	
Residential (\$/GSF)	\$46.22
Non-Residential (\$/GSF)	\$33.05
Child Care	
Residential (\$/GSF)	\$2.47
Non-Residential (\$/GSF)	\$4.86
Complete Streets: Citywide	
Residential (\$/GSF)	\$16.19
Non-Residential (\$/GSF)	\$11.58
Complete Streets: Downtown	
Residential (\$/GSF)	\$19.42
Non-Residential (\$/GSF)	\$13.89
Transit	
Residential (\$/GSF)	\$24.24
Production, Distribution, and Repair (PDR) (\$/GSF)	\$46.82
Non-Residential (ex. PDR) (\$/GSF)	\$83.75
Libraries	
Residential (\$/GSF)	\$2.50
Non-Residential (\$/GSF)	N/A
Fire Department Facilities	
Residential (\$/GSF)	\$1.51
Non-Residential (\$/GSF)	\$1.08

9 Addendum

The bulk of this report was completed in 2019, using 2019 data, costs, and demographic projections. However, since the report was finalized in 2021 and will face adoption in 2021, the maximum supportable impact fees in Table 42 must be adjusted from 2019 dollars to 2021 dollars.

The City annually adjusts all development impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE). To derive an appropriate AICCIE, the Capital Planning Committee (CPC) reviews cost inflation data, market trend analyses, the Planning Department's pipeline report, and a variety of national, state, and local commercial and institutional construction cost inflation indices. For 2020, the CPC adopted an AICCIE of 5.5%. For 2021, the CPC adopted an AICCIE of 3.5%. Combined, these constitute an inflation factor of 9.2%. Therefore, all maximum supportable nexus fees determined in this report in 2019 dollars (Table 42) must be increased by 9.2% as an adjustment to 2021 dollars. The adjusted maximum supportable impact fees for 2021 are shown in Table 43 below.

TABLE 43: POTENTIAL MAXIMUM SUPPORTABLE FEES PER INFRASTRUCTURE CATEGORY (2021)

Citywide Nexus Fees	Maximum Supportable Fee (2019 dollars)	Maximum Supportable Fee (2021 dollars)
Recreational and Open Space		
Residential (\$/GSF)	\$46.22	\$50.47
Non-Residential (\$/GSF)	\$33.05	\$36.09
Child Care		
Residential (\$/GSF)	\$2.47	\$2.70
Non-Residential (\$/GSF)	\$4.86	\$5.31
Complete Streets: Citywide		
Residential (\$/GSF)	\$16.19	\$17.67
Non-Residential (\$/GSF)	\$11.58	\$12.64
Complete Streets: Downtown		
Residential (\$/GSF)	\$19.42	\$21.21
Non-Residential (\$/GSF)	\$13.89	\$15.17
Transit		
Residential (\$/GSF)	\$24.24	\$26.47
PDR (\$/GSF)	\$46.82	\$51.12
Non-Residential (ex. PDR) (\$/GSF)	\$83.75	\$92.45
Libraries		
Residential (\$/GSF)	\$2.50	\$2.73
Non-Residential (\$/GSF)	N/A	N/A
Fire Department Facilities		
Residential (\$/GSF)	\$1.51	\$1.64
Non-Residential (\$/GSF)	\$1.08	\$1.18

10 Appendix

10.1 Supplementary Transit Infrastructure Tables

TABLE 44: SAN FRANCISCO DEVELOPMENT AND TRIP GENERATION 2019⁷⁹

	2019 Households & Jobs	Residential Vacancy Rate ⁸⁰ or Gross Sq. Ft. per Employee	2019 Housing Units & 1,000 Sq. Ft. ⁸¹	Trip Generation Rate (per Housing Unit or 1,000 Sq. Ft.) ⁸²	2019 Trip Generation (average daily trips) ⁸²
<i>Residential</i>					
Housing	402,772	0.0%	402,800	5.13	2,066,000
<i>Nonresidential</i>					
Management, Information & Professional Services	422,350	240	101,400	9.87	1,000,000
Retail/Entertainment	118,350	350	41,400	68.00	2,815,000
Cultural/Institution/Education	91,319	350	32,000	23.00	736,000
Medical and Health Services	49,064	350	17,200	22.00	378,000
Visitor Services	25,581	440	11,300	7.84	89,000
Subtotal Nonresidential (ex. PDR)	706,664	288	203,300	24.69	5,018,000
Production, Distribution, Repair	61,773	570	35,200	6.72	237,000
Total Nonresidential	768,360	310	238,500		5,255,000
Total					7,321,000

⁷⁹ Source: San Francisco Planning Department; Table 51.

⁸⁰ Based on U.S. Census data, the residential vacancy rate in San Francisco was 4.9% in 2000 and 8.2% in 2010. The low estimated rate for 2019 reflects the current high demand for housing in the City.

⁸¹ "1,000 Sq. Ft." is thousand building square feet and applies to nonresidential development.

⁸² Trip generation rate and trip generation is for motorized trips only (auto and transit) and excludes bicycle and pedestrian trips.

TABLE 45: SAN FRANCISCO DEVELOPMENT AND TRIP GENERATION 2040⁸³

	2040 Households & Jobs	Residential Vacancy Rate ⁸⁴ or Gross Sq. Ft. per Employee	2040 Housing Units & 1,000 Sq. Ft. ⁸⁵	Trip Generation Rate (per Housing Unit or 1,000 Sq. Ft.) ⁸⁶	2040 Trip Generation (average daily trips)
<i>Residential</i>					
Housing	483,693	5.0%	509,200	4.79	2,439,000
<i>Nonresidential</i>					
Management, Information & Professional Services	498,633	240	119,700	9.87	1,181,000
Retail/Entertainment	117,192	350	41,000	68.00	2,788,000
Cultural/Institution/Education	90,848	350	31,800	23.00	731,000
Medical and Health Services	67,292	350	23,600	22.00	519,000
Visitor Services	24,788	440	10,900	7.84	85,000
Subtotal Nonresidential (ex. PDR)	798,753	284	227,000	23.37	5,304,000
Production, Distribution, Repair	73,757	570	42,000	6.72	282,000
Total Nonresidential	872,510	308	269,000		5,586,000
<i>Total</i>					8,025,000

⁸³ Sources: San Francisco Planning Department; Table 51.

⁸⁴ Residential vacancy rate reflects a reasonable supply/demand balance in the housing market and not the current low supply/high demand market in the City.

⁸⁵ "1,000 Sq. Ft." is thousand building square feet and applies to nonresidential development.

⁸⁶ Trip generation rate and trip generation is for motorized trips only (auto and transit) and excludes bicycle and pedestrian trips.

TABLE 46: SAN FRANCISCO DEVELOPMENT AND TRIP GENERATION 2040⁸⁷

	2019-2040 Households & Jobs	Residential Vacancy Rate ⁸⁸ or Gross Sq. Ft. per Employee	2040-2019 Housing Units & 1,000 Sq. Ft. ⁸⁹	Trip Generation Rate (per Housing Unit or 1,000 Sq. Ft.) ⁹⁰	2019-2040 Trip Generation (average daily trips) ⁹⁰
<i>Residential</i>					
Housing	80,921	NA	106,400	3.48	373,000
<i>Nonresidential</i>					
Management, Information & Professional Services	76,283	240	18,300	9.87	183,000
Retail/Entertainment	(1,158)	350	(400)	68.00	(27,000)
Cultural/Institution/Education	(471)	350	(200)	23.00	(5,000)
Medical and Health Services	18,228	350	6,400	22.00	141,000
Visitor Services	(793)	440	(400)	7.84	(4,000)
Subtotal Nonresidential (ex. PDR)	92,089	257	23,700	12.02	286,000
Production, Distribution, Repair	11,984	570	6,800	6.72	45,000
Total Nonresidential	104,073	293	30,500		331,000
<i>Total</i>					704,000

⁸⁷ Sources: San Francisco Planning Department; Table 51.

⁸⁸ Residential vacancy rate reflects a reasonable supply/demand balance in the housing market and not the current low supply/high demand market in the City.

⁸⁹ "1,000 Sq. Ft." is thousand building square feet and applies to nonresidential development.

⁹⁰ Trip generation rate and trip generation is for motorized trips only (auto and transit) and excludes bicycle and pedestrian trips.

TABLE 47: TRIP GENERATION RATES⁹¹

Economic Activity Category	Trip Generation Rate (average daily person trips)		Motorized Mode Share				Motorized Trip Generation Rate
			Place Type 1	Place Type 2	Place Type 3	Average ⁹²	
Residential							
Existing 2019 ⁹³	8.4	per housing unit	59%	62%	62%	61%	5.13
Growth 2019-2040 ⁹⁴	5.7	per housing unit	59%	62%	62%	61%	3.48
Future 2040 ⁹⁵	7.8	per housing unit	59%	62%	62%	61%	4.79
Nonresidential							
Management, Information & Professional Services ⁹⁶	15.7	per 1,000 sq. ft.	54%	80%	94%	63%	9.87
Retail/Entertainment ⁹⁷	150.0	per 1,000 sq. ft.	41%	39%	71%	45%	68.00
Cultural/Institution/Education ⁹⁷	23.0	per 1,000 sq. ft.			NA		23.00
Medical and Health Services ⁹⁸	22.0	per 1,000 sq. ft.			NA		22.00
Visitor Services ⁹⁸	16.8	per 1,000 sq. ft.	45%	62%	53%	47%	7.84
Production, Distribution, Repair (PDR) ⁹⁹	7.9	per 1,000 sq. ft.	85%	85%	85%	85%	6.72

⁹¹ Sources: San Francisco Planning Department, Traffic Impact Analysis Guidelines (TIA Guidelines), Appendix F, 2019, Table 1; U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates for San Francisco; Jan A. deRoos, Planning and Programming a Hotel, Cornell School of Hotel Administration, 2011, Figure 21.3.

⁹² Mode share by place type from TIA Guidelines. Weighted average rate based on land use across 981 traffic analysis zones (each assigned to one of the three place types) that comprise the City's transportation model. Average rate for nonresidential uses based on 2040 land use. No mode share for Cultural and Medical categories because trip rate based on survey of development projects that counted vehicles only.

⁹³ Trip rate based on 2019 *TIA Guidelines* (4.5 per bedroom) converted to ADT per housing unit using 1.86 bedrooms per unit derived from recent U.S. Census housing estimates for San Francisco.

⁹⁴ Trip rate based on 2019 *TIA Guidelines* (4.5 per bedroom) converted to ADT per housing unit using 1.27 bedrooms per unit, the average of recent San Francisco housing projects.

⁹⁵ Motorized trip generation rate based on sum of total citywide motorized trips for existing (2019) and growth (2019-2040) divided by total 2040 housing units. Total trip generation rate (motorized and non-motorized) based on motorized trip generation rate divided by motorized mode share.

⁹⁶ Trip rates based on 2019 *TIA Guidelines*.

⁹⁷ Trip rates not indicated in 2019 *TIA Guidelines*. Rate drawn from 2015 *TSF Nexus Study* and is an average of recent development projects that surveyed only motorized trips.

⁹⁸ Trip rate based on 2019 *TIA Guidelines* (8.4 trips per room) and 500 square feet per room based on hotel space programming research paper that indicates a range of 420 to 780 square feet per room, and a recent San Francisco hotel project that has 450 square feet per room.

⁹⁹ Trip rate not indicated in 2019 *TIA Guidelines* so used rate from 2002 *TIA Guidelines*.

The following two tables provide support for the calculations presented in Section 5 for the transit capital maintenance component of the TSF. Table 48 provides the source for the inflation and interest rates that are inputs to the model for the net present value factor shown in Table 24. Table 49 provides a truncated version of the model used to calculate the net present value factor.

TABLE 48: INFLATION AND INTEREST RATES¹⁰⁰

Cost Inflation ¹⁰¹			Interest Earned ¹⁰²		
Calendar Year	Index	Annual Rate	Fiscal Year Ending	Index	Annual Rate
2018	285.6	3.89%	2018	104.8	1.63%
2017	274.9	3.23%	2017	103.1	0.93%
2016	266.3	2.98%	2016	102.2	0.67%
2015	258.6	2.62%	2015	101.5	0.75%
2014	252.0	2.86%	2014	100.7	0.73%
2013	245.0		2013	100.0	
Five-Year Compounded Annual Average		3.11%	Five-Year Compounded Annual Average		0.94%

TABLE 49: NET PRESENT VALUE FACTOR¹⁰³

	Year	1	2	3	...	43	44	45
Beginning Fund Balance ¹⁰⁴	a	73.93	73.62	73.29	...	10.99	7.47	3.81
Interest Earnings ¹⁰⁵	b = a * 0.94%	0.69	0.69	0.69	...	0.10	0.07	0.04
Expenditures ¹⁰⁶	c = c (prior yr) * 3.11%	<u>(1.00)</u>	<u>(1.03)</u>	<u>(1.06)</u>	...	<u>(3.62)</u>	<u>(3.73)</u>	<u>(3.85)</u>
Ending Fund Balance	d = a + b - c	73.62	73.29	72.91	...	7.47	3.81	0.00
Net Present Value Factor ¹⁰⁴		73.93						

¹⁰⁰ Sources: Association of Bay Area Governments (<https://abag.ca.gov/tools-resources/data-tools/consumer-price-index>); S.F. Treasurer's Office (<http://sftreasurer.org/reports-plans>).

¹⁰¹ San Francisco Bay Area Consumer Price Index (index 1982-84 = 100).

¹⁰² Average annual interest earning on City and County of San Francisco pooled fund balances (index 2013 = 100).

¹⁰³ Note: This table models the amount necessary to collect in Year 1 such that \$1.00 in expenditures can be sustained for 45 years given inflation and interest earnings. Source: Table 48.

¹⁰⁴ Beginning fund balance in Year 1 is solved for to calculate the net present value factor. The Year 1 value is set such that the Year 45 ending fund balance equals \$0.00. In all other years the beginning fund balance equals the ending fund balance from the prior year.

¹⁰⁵ Assumes interest earned on beginning fund balance and all expenditures made at end of year.

¹⁰⁶ Expenditures at beginning of Year 1 equal \$1.00 and are inflated assuming all costs represent end of year (inflated) values.

10.2 New Construction Average Housing Unit Size Memorandum

To: Seung Yen Hong & Mat Snyder (Planning Dept.)
From: Robert D. Spencer, Urban Economics
CC: Humberto Castro & Asher Butnik (HATCH Engineering)
Date: January 13, 2020
Subject: New Construction Average Housing Unit Size

The purpose of this memo is to provide the supporting data for a planning assumption of 1,000 square feet on average per new housing unit for use in the nexus study. This assumption is used throughout the nexus study to convert public facility needs per capita or per housing unit to a fee imposed per building square foot.

The *2014 San Francisco Citywide Nexus Analysis* and *2015 TSF Nexus Study* used 1,156 square feet per housing unit based on an average rentable area size of 925 square feet per unit and a building efficiency rate of 80 percent. This factor was used in in the 2008 Eastern Neighborhoods Impact Fee and Affordable Housing Analysis. At the time of the *2014 San Francisco Citywide Nexus Analysis*, Planning Department staff (Kearstin Dischinger) had concluded that this assumption still reflected current conditions.

Forces related to demographics (smaller housing size) and market economics (increasing housing costs) in the city are likely pushing average unit size lower since the 1,156 square feet per unit factor was developed. Indeed, a 2017 SPUR report estimates 800 square feet per unit (640 rentable area and 80 percent building efficiency). A July 2019 article by Curbed San Francisco cites rental apartment data from Zumper and Rent Café that results in an estimate of 921 square feet per unit (737 square feet per unit rentable area and 80 percent building efficiency).

To test this hypothesis, I pulled available data from the Planning Department's past two annual housing inventory reports (2017 and 2018). These reports include two appendix tables (Table A.3, Major Housing Projects Reviewed and Entitled by Planning Department, and Table A.4, Major Housing Projects Filed at Planning Department) with project descriptions that include data for building area allocated to residential uses and number of housing units. This data is not available for most projects. However, between the two reports a total of 15 projects had this data, which provides a reasonable sample size assuming there is no bias regarding which projects report this data. The results are shown in Table 50, on the following page.

Based on this data and given that the trend towards smaller unit sizes is likely to continue, we suggest using a rounded factor of 1,000 square feet per unit for the purposes of the nexus study.

TABLE 50: AVERAGE HOUSING UNIT SIZE

Project	Units	Square Feet	SF/Unit
<i>2018 San Francisco Housing Inventory Report</i>			
30 Otis St.	406	380,173	936
524 Howard St.	284	300,052	1,057
555 Golden Gate Ave.	48	60,000	1,250
230 7th St.	44	42,710	971
235 Valencia St.	37	28,545	771
1144 Harrison St.	371	366,802	989
<i>2017 San Francisco Housing Inventory Report</i>			
150 Van Ness Ave.	420	441,577	1,051
975 Bryant St.	120	160,000	1,333
1298 Howard St.	124	128,650	1,038
950 Tennessee St.	100	99,075	991
555 Howard St.	63	150,275	2,385
2444 Lombard St.	53	41,875	790
875 California St. / 770 Powell St.	44	52,400	1,191
980 Folsom St.	33	36,494	1,106
1055 Geary St.	120	103,200	860
Total / Average	2,267	2,391,828	1,055
Sources: San Francisco Planning Department, <i>San Francisco Housing Inventory Report</i> (2017 and 2018), Tables A.3 and A.4.			

10.3 Note-to-File: Distribution of Funds Collected from the Central SoMa Infrastructure Fee



NOTE-TO-FILE

Date: December 9, 2021
Case No.: 2018-003594CWP
Subject: Distribution of Funds Collected from the Central SoMa Infrastructure Fee

Summary

This note-to-file establishes a staff-level policy determination on the distribution of funds collected under the Central SoMa Infrastructure Fee from residential projects, consistent with recent amendments to Planning Code Section 433.

Background

In December 2018 the Board of Supervisors approved several Ordinances to implement the Central SoMa Plan. The Board of Supervisors' approvals included a comprehensive set of Planning Code amendments, that, in part, created new fees specific to Central SoMa, including the Central SoMa Infrastructure Fee (Planning Code Section 433). Although the stated purpose of the fee was to support the expansion of open space, recreation, and transit infrastructure, as originally adopted, the Central SoMa Planning Code amendments limited the use of funds collected through the Central SoMa Infrastructure Fee to transit projects only.

As a part of the same approval package, the Board of Supervisors also adopted the Central SoMa Plan and Implementation Strategy ("Implementation Document"), which, in part, laid out a comprehensive infrastructure and community benefits package to be implemented over the Central SoMa Plan's 20-year timeframe. The Implementation Document included a financing plan for the community benefits package, which included funding from both existing sources and new sources created by the Central SoMa Plan. The Implementation Document indicated that funds raised by the Central SoMa Infrastructure Fee would be used for recreation and open space as well as transit projects, pending trailing legislation

On April 6, 2021, the Board of Supervisors adopted Ordinance No. 47-21, "Administrative Code, Planning Code – Technical Corrections; Amendments to Various Central South of Market Zoning Provisions," which corrected, clarified, and updated the Administrative and Planning Code where there were inadvertent errors in the original Central SoMa Planning Code legislation. Through this legislation, Planning Code Section 433 was amended to enable Central SoMa Infrastructure Fee funds to go to both transit or recreation and open space projects,

Note-To-File

Re: Central SoMa Infrastructure Fee Distribution

Case No. 2018-003594CWP

Page 2

consistent with the Central SoMa Implementation Document. The legislation did not require a particular percentage of the fee to go to transit projects or recreation and open space projects.

Distribution Policy Going Forward

The Planning Department is currently completing a Citywide Nexus Study to establish the maximum supportable impact fees for different types of improvements, pursuant to the California Mitigation Fee Act. For transit projects, the Nexus study supports a maximum \$24.24 per square foot fee to residential development projects to fund transit infrastructure projects. To ensure this amount is not exceeded, staff analyzed all impact fees that contribute to transit projects to make sure that all the fees taken together in their entirety do not exceed the nexus maximum. For residential development projects in the Central SoMa Plan area, the potentially applicable transit fees include the Eastern Neighborhoods Infrastructure fee, the portion of the Central SoMa Infrastructure Fee going to transit, and the Transportation Sustainability Fee.

As noted above, Planning Code Section 433 does not require that a specific percentage the Central SoMa Infrastructure Fee go to transit and recreation and open space projects. This Note-To-File hereby establishes that for residential projects that are charged the Central SoMa Infrastructure Fee (i.e., Tier B projects), no more than \$9.53 (or 48%) of the total fee shall go toward transit projects, while the remaining \$10.47 (or 52%) shall be used for recreation and open space projects.

Next Steps

Planning staff recommends Planning Code text amendments to codify the specified allocations for the uses of the Central SoMa Infrastructure Fee.

10.4 Child Care Nexus Study for City of San Francisco (2007)



BRION & ASSOCIATES

Final Report:

**CHILD CARE NEXUS STUDY FOR
CITY OF SAN FRANCISCO**

**Prepared by Brion & Associates
in conjunction with**

**FCS Group, Inc.
Nilsson Consulting**

May 2007

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Executive Summary

The City and County of San Francisco (City) expects to add about 55,900 new residents and 83,800 new employees between 2006 and 2025, including development expected at Mission Bay, Rincon Hill, and Visitation Valley. A portion of these new residents and employees will need child care for their children 0 to 13 years of age. Based on a variety of demand factors that are discussed in this chapter, the following findings are made concerning the need for and the nexus to establish a citywide child care linkage fee in San Francisco. The Department of Children, Youth, and Their Families proposes to expand the Child Care Linkage Fee Program to apply to all land uses citywide. This is in contrast to the existing child care fee that only applies to office and hotel uses in the downtown area.

This child care nexus analysis estimates the number of children associated with residential growth (including residents that work in the City) and employees that work in the City but live elsewhere. The need for these children to have licensed child care is based on a variety of demand factors that are described in more detail below. In summary, 44% of 0 to 13 year old children of residents are assumed to need formal child care and 5% of the children of non-resident employees are assumed to need child care, assuming one child per employee. The analysis does not double-count residents that also work in the City.

The analysis estimates child care demand for three age groups—infants, preschool, and school age—based on industry standards of categorizing care. Child care supply analyzed in this report includes licensed child care centers, family child care homes, school age programs, both licensed and license-exempt, and some private afterschool care facilities.¹

In general, under the proposed child care program, new development would have two choices: 1. provide child care space on- or offsite at certain rates that vary by land use; or 2. pay a linkage fee that would vary by land use. Monies generated by the fee program would be used to fund new child care facilities throughout the City. These options are currently available in the existing child care fee program.

To summarize, the following steps and assumptions are used to estimate the nexus for establishing the child care linkage fee by land use:

- ◆ Total population and non-resident employment growth are estimated by land use category.

¹ It also includes spaces in the San Francisco Unified School District's afterschool program spaces and in the Recreation and Park Department's Latchkey program.

- ◆ Density assumptions are applied to estimate new dwelling units and square feet of non-residential space (i.e., persons per household and square feet per employee).
- ◆ Child care demand factors are applied to this estimate of new population and employment growth by land use category to estimate number of total children, 0 to 13 years old, needing licensed care.
- ◆ An assumption is made regarding San Francisco's policy target for child care. This assumption is that San Francisco plans to fund 100% of the need for new licensed child care created by growth in population and employment. This is consistent with most other cities' child care fees, including the proposed fee in Alameda County and the current fee in Palm Desert.
- ◆ The State licensing requirements for child care indoor and outdoor space are applied to the estimated need for child care spaces by land use.
- ◆ The total child care space requirements are divided by the amount of development expected in each land use category, i.e., units of residential and by 1,000 square feet for non-residential. This becomes the child care space requirement per land use for indoor and outdoor space.
- ◆ The average cost per child care space² is applied to the estimated demand for child care spaces by land use to derive total costs by land use.
- ◆ The total cost of child care by land use is divided by the number of units or amount of square footage of new development in each land use category to derive the maximum linkage fee rate by land use justified by this nexus study.
- ◆ An administration fee is added to fund the cost of administering the linkage fee program, which is estimated at 5% of total facility costs. The total child care facility costs, including administrative costs, is estimated by land use and then divided by the amount of development in each land use category to estimate the maximum possible linkage fee on a per unit or per square foot basis. This is the maximum child care linkage fee that could be charged to new development at the issuance of building permits.

The following items summarize and highlight the results of the child care nexus analysis for the City and County of San Francisco.³

² See **Table 10**.

³ Please note that many figures throughout this document are rounded to the nearest 100.

- ◆ As shown in **Table S-1**, the City will experience a need for an additional 3,780 formal child care spaces between 2006 and 2025. About 60% of these will come from residential uses or 2,271 spaces and about 40% or 1,509 spaces from non-residential uses.
- ◆ On average, the City will need to add about 199 new child care spaces per year to address demand from expected new development. These spaces are expected to cost an average of about \$2.57 million per year to construct (see **Table S-1**).
- ◆ **Table S-2** summarizes the demand for child care spaces as allocated to different types of child care and the associated cost for each type of care. As shown, child care centers are the most costly type of child care to build with an average cost per space of about \$27,400. Because the City wants to provide a mix of different types of care with varying costs and settings, the average cost per space overall would be \$12,325, or significantly less than the average center-based space.
- ◆ **Table S-3** summarizes the costs of providing child care by land use based on the demand factors for each land use, which vary based on resident and employee densities. Residential uses will generate about 60% of the new cost of child care or about \$29.4 million, and non-residential uses will generate the remaining 40% of revenues or \$19.5 million. These revenues will cover the total combined costs of \$48.9 million needed to provide new child care facilities (including administrative costs) to serve child care needs associated with new development.
- ◆ **Table S-4** summarizes the child care requirements for residential and non-residential uses. The requirements are expressed as square feet per dwelling unit by type of unit and square feet per 1,000 square feet of non-residential building space. The child care requirement would include indoor and outdoor space, as shown.
 - Residential uses would fund a range of 12.6 to 19.1 square feet of indoor child care space and 8.7 to 13.2 square feet of outdoor space per dwelling unit based on the nexus analysis.
 - Non-residential uses would fund an average of 9.3 square feet of indoor child care space and 6.4 square feet of outdoor space per 1,000 square feet of building space based on the nexus analysis. Actual rates vary by land use category.

Table S-5 shows the maximum child care linkage fee rates based on this nexus study, which include the following:

○ Single Family:	\$2,272 per unit
○ Multi-Family, 0 to 1 bedrooms:	\$1,493 per unit
○ Multi-Family, 2+ bedrooms:	\$1,704 per unit
○ <i>Average, Residential</i>	<i>\$1,595 per unit or \$1.72 per sqft⁴</i>
○ Civic, Institutional, Educational:	\$1.29 per square foot
○ Hotel:	\$0.72 per square foot
○ Industrial:	\$0.83 per square foot
○ Medical:	\$1.29 per square foot
○ Office:	\$1.29 per square foot
○ Retail:	\$0.97 per square foot

These fee rates include 5% for administrative costs.

- ◆ The City has the option to adopt fee rates that are lower than those included in this nexus study. The fee rates discussed in this study reflect the maximum amount of fee that could be charged based on nexus requirements for establishing fees.

Thus, a 100-unit new multi-family (0 to 1 bedrooms) residential project would generate about \$149,000 in linkage fees to be used to construct new child care or expand existing child care facilities. The average residential fee of \$1,595 per unit is also estimated at \$1.72 per square foot for comparison purposes and is based on the assumption that the average size of a new residential unit is 925 square feet. A new 100,000-square foot office project would generate about \$129,000 in linkage fee revenue. The existing child care fee for an office in the downtown district is \$1.00 per square foot, and that fee has not been increased since its adoption in 1986, although changes have been made to the ordinance for administration purposes. The potential maximum child care linkage impact fee represents a 29% increase over the prior child care fee for office space, and also expands coverage to a full range of non-residential uses located throughout San Francisco.

Policy Options

Several policy options developed by the Department of Children, Youth, and Their Families and the Consultant are included in this nexus study, which would be at the discretion of the Board of Supervisors to consider and adopt as part of implementing the updated Child Care Linkage Fee. These include:

⁴ This is for comparison only and assumes an average sized dwelling unit of 925 square feet. The fee would be a “per dwelling unit” fee.

1. *The child care impact fee will address 100% of the need for projected child care demand from 2006 to 2025.*
2. *The child care fee would apply to all land uses citywide. The current child care fee applies to office and hotel uses located only in the downtown area.*
3. *The provision of child care facilities instead of paying the in-lieu fee is limited to non-residential projects that generate demand for at least 14 child care spaces (the equivalent of a large family child care home) or a residential project that wanted to provide a small family child care home within the project, which serves up to 8 children.*

**Table S-1
Child Care Requirement and Costs for Residential and Non-Residential Uses
From Net New Growth 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study**

Land Use	Required Child Care Spaces (1)		Total Cost of New of Child Care (2)		Average per Year 2006-2025	
	Amount	Percent	Amount	Percent	Spaces	Funding
Residential	2,271	60%	\$29,392,103	60%	120	\$1,546,953
Non Residential	1,509	40%	\$19,522,825	40%	79	\$1,027,517
Totals	3,780	100%	\$48,914,928	100%	199	\$2,574,470

(1) Based on incremental growth in population and employment as estimated in Tables 1 through 8.

(2) Costs includes administrative cost of 5%.

Source: Brion & Associates.

Table S-2
Summary of Potential Child Care Costs
From New Development 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care	Number of Child Care Spaces	Average Cost Per Space (1)	Total Child Care Costs
1 Build New Centers: Spaces	1,070	\$27,406	\$29,335,081
2 New Centers in Existing or New Commercial Space	344	\$13,703	\$4,713,908
3 Expand at Existing Centers: Spaces	397	\$13,703	\$5,442,160
4 New Small Family Child Care Homes: Spaces	756	\$500	\$377,963
5 New Large Family Child Care Home Spaces	378	\$1,429	\$539,947
6 Expand FCCH from 8 to 14: Spaces	155	\$3,333	\$516,741
7 School Age at Existing Schools	679	\$8,333	\$5,659,846
Average Child Care Cost per Space		\$12,325	
Total Spaces and Costs	3,780		\$46,585,646
Administrative Costs (5%)			\$2,329,282
Total Child Care Costs			\$48,914,928

(1) See Table 10 for detailed estimates of demand by type of facility and cost factors.
Source: Brion & Associates.

Table S-3
Summary of New Child Care Costs Generated by New Development by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Density Assumptions (1)		Allocated Costs by Land Use	Percent Distribution
	Factor	Type		
<u>Residential Uses</u>				
Single-Family	3.50	persons/household	\$1,084,959	2%
Multi-Family, 0 to 1 Bedroom	2.30	persons/household	\$16,135,758	33%
Multi-Family, 2 + Bedrooms	<u>2.63</u>	persons/household	<u>\$12,171,386</u>	<u>25%</u>
Total Residential	2.35	persons/household	\$29,392,103	60%
<u>Non-Residential Uses</u>				
Civic, Institutional, Education	225	sqft per employee	\$25,867	0%
Hotel	400	sqft per employee	\$680,037	1%
Industrial/PDR	225	sqft per employee	\$3,885,985	8%
Medical	225	sqft per employee	\$1,115,442	2%
Office	300	sqft per employee	\$11,783,734	24%
Retail	350	sqft per employee	<u>\$2,031,761</u>	<u>4%</u>
Total Non-Residential			\$19,522,825	40%
Total Child Care Costs with Admin. Costs			\$48,914,928	100%

(1) Costs are allocated to land uses based on their population and employment densities.

See Tables 14 and 15.

Source: Brion & Associates.

Table S-4
Summary of New Child Care Space Requirements by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Child Care Requirements		
	Indoor Space	Outdoor Space	
<u>Residential Uses</u>			
Single-Family	19.1	13.2	sqft per dwelling unit
Multi-Family, 0 to 1 Bedroom	12.6	8.7	sqft per dwelling unit
Multi-Family, 2 + Bedrooms	14.4	9.9	sqft per dwelling unit
<u>Non-Residential Uses</u>			
Civic, Institutional, Education	10.8	7.5	sqft per 1,000 sqft of gross building space
Hotel	6.1	4.2	sqft per 1,000 sqft of gross building space
Industrial/PDR	7.0	4.8	sqft per 1,000 sqft of gross building space
Medical	10.8	7.5	sqft per 1,000 sqft of gross building space
Office	10.8	7.5	sqft per 1,000 sqft of gross building space
Retail	8.1	5.6	sqft per 1,000 sqft of gross building space
Average Non-Residential (1)	9.3	6.4	sqft per 1,000 sqft of gross building space

Note: Child Care demand by land use is based on population and employment densities and other child care demand factors.

(1) The average would apply to uses that do not fit in the above land use categories.

Source: Brion & Associates.

Table S-5
Summary of Maximum New Child Care Linkage Fees by Type of Development
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Maximum Potential Child Care Linkage Fee
<u>Residential Linkage Fee (1)</u>	
Single-Family	\$2,272 per dwelling unit
Multi-Family, 0 to 1 Bedroom	\$1,493 per dwelling unit
Multi-Family, 2 + Bedrooms	\$1,704 per dwelling unit
Average, All Units	\$1,595 per dwelling unit
Average Per Sqft of Residential Space	\$1.72 (3)
<u>Non-Residential Linkage Fee (1)</u>	
Civic, Institutional, Education	\$1.29 per sqft of gross building space
Hotel	\$0.72 per sqft of gross building space
Industrial/PDR	\$0.83 per sqft of gross building space
Medical	\$1.29 per sqft of gross building space
Office	\$1.29 per sqft of gross building space
Retail	\$0.97 per sqft of gross building space
Average Non-Residential (2)	\$1.06 per sqft of gross building space

Note: Costs are allocated to land uses based on their population and employment densities.

While the non-residential requirement is per 1,000 sqft, the fee is \$ per sqft of space.

(1) Residential fees are by unit type; non-residential fees are per square foot.

(2) The average would apply to uses that do not fit in the above categories.

(3) Assumes the average size unit is 925 sqft per dwelling unit.

Source: Brion & Associates.

1. Introduction and Purpose of Study

The City and County of San Francisco (City) currently has a child care inclusionary zoning ordinance with a linkage fee option, which was adopted in 1986. The child care program applies to office and hotel uses only in the downtown district at \$1.00 per square foot for projects with a net addition of 50,000 square feet of gross building space or more. The goal of the program is to “foster the expansion of and ease access to child care facilities affordable to households of low or moderate income.”⁵

The child care requirement was originally adopted in 1986, prior to the adoption of AB1600 in 1987, which is now commonly called The Mitigation Fee Act (Government Code 66000). This Act generally requires that a nexus be established for a public entity to adopt a development impact fee. While it is the City’s position that a nexus analysis is not needed for the Child Care Linkage Fee Program, the City does want to ensure that the fee is fair and equitable and meets the principles of nexus. The City’s child care ordinance was last updated and revised in 2003.⁶

The requirements of the existing zoning ordinance can be summarized as follows:

- ◆ Overall, the child care requirement is for a minimum of 3,000 square feet of child care facility space onsite.
- ◆ For hotel or office projects less than 300,000 square feet, a 2,000 square foot child care facility is required onsite.
- ◆ The child care facility must be a licensed facility.
- ◆ The formula for determining the amount of child care space is:

net addition gross square feet of hotel/office space x .01 = square feet of child care space facility required or the minimums listed above.
- ◆ A project sponsor or group of project sponsors within 0.5 miles of each other may elect to provide a child care facility at the above rates offsite, within 1.0 miles of the project(s) to meet the requirement.
- ◆ The child care facility must be provided for the life of the development project for which the facility is required or as long as there is demonstrated demand.
- ◆ The child care facility must be reasonably accessible to public transportation or transportation provided by the project sponsors.

⁵ See Section 314.4.(a)(1) Imposition of Child Care Requirement, page 42, dated April, 9, 2003.

⁶ This update included changes to the Transit Impact, Housing, Child Care, Park, and Inclusionary Housing Fees to transfer the collection and enforcement of the said fees to the City Treasurer’s Office.

- ◆ In all cases above, proof must be provided that the child care facility is leased to a non-profit child care provider without charge for rent, utilities, property taxes, building services, repairs, or any other charges of any nature for a minimum of three years.
- ◆ The project sponsor may elect to pay an in-lieu fee at the following rate:

net addition of gross hotel/office space x \$1.00 = total in-lieu fee requirement.
- ◆ Payment of the in-lieu fee is made to the City Treasurer, and the Treasurer prepares a certification which the project sponsor submits to the Planning Department as proof of child care mitigation prior to the issuance of the project's building permit.
- ◆ A project sponsor may elect to provide a combination of child care space and an in-lieu fee, singly or in conjunction with other project sponsors.
- ◆ A project sponsor may enter into an agreement with a nonprofit child care provider to provide a child care facility within the city to meet the conditions of the requirement; the agreement must be for a period of 20 years, with the first three years being made available free of rent, utilities, property taxes, building services, repairs or other charges. To facilitate this agreement, the project sponsor may pay to the nonprofit an amount equal to or in excess of the sum of the in-lieu fee due for the development project.

Since 1986, the City has collected approximately \$4.8 million in child care in-lieu fees. Over this period, no revenue was collected during seven of the years. The average annual amount of revenue collected in the last 20 years was \$241,000 per year. During the years when revenue was generated, the largest amount of revenue collected in one year was \$1.01 million in Fiscal Year 1990/91 and the lowest amount collected was about \$26,000 in Fiscal Year 1992/93. Given that the existing fee only applies to downtown office and hotel development, much of the new development in the City over the last 20 years has not paid child care impact fees.

2. Nexus Findings

This section describes the findings which establish the nexus between the need for the Child Care Linkage Fee, the maximum amount of the fee, the need for the facilities to be funded with the fee, and new development. The City's current position is that the present Child Care Linkage Program, including the in-lieu fee provision offered as an alternative to providing child care on- or offsite, is not subject to the requirements of the Mitigation Fee Act or Government Code Section 66000. The City does not expect to alter its position on this matter. However, because the City agreed to sponsor a supporting nexus analysis as part of the citywide fee study effort, and because there is interest in determining whether the Inclusionary Program can be supported by a nexus type analysis as an additional support measure, the City has contracted for the preparation of a nexus analysis at this time. The nexus findings include:

1. The purpose of the fee and related description of the child care facilities for which the revenue will be used;
2. The specific use of the child care fee;
3. The reasonable relationship between the child care facility to be funded and the type of development to be charged the fee;
4. The need for the child care facility and the type of development; and
5. The reasonable relationship between the amount of the child care fee and the proportionality of the cost specifically attributable to new and existing development.

Each of these findings is addressed below.

Purpose of the Child Care Linkage Fee

The purpose of the Child Care Linkage Fee is to fund required capital improvements to create new child care facilities or new spaces at existing child care facilities. These facilities will be available to serve all new residents and employees that require child care in San Francisco.

Use of the Child Care Linkage Fee

The Child Care Linkage Fee revenue will be used by the City and County of San Francisco to construct new child care facilities or provide funding for the expansion of existing child care facilities in the City. This study identifies seven potential options for creating new child care spaces and the fee revenue that will be used to fund these options in the City over the next 19 years, including:

1. Build new centers (free standing);
2. Build new centers in existing or new commercial space;
3. Expand existing centers;
4. Assist new small Family Child Care Homes;
5. Assist new large Family Child Care Homes;
6. Expand Family Child Care Homes from 8 to 14 spaces; and
7. Support school age care at existing schools or community facilities.

The Child Care Linkage Fee revenue will be combined with other City revenues and private funding to fund new child care facilities. A series of grants and loans will be used to allocate funding to child care providers, as is the City's practice with the current child care fee program.

Relationship of the Child Care Linkage Fee to New Development

New child care facilities are required to serve existing development as well as new development. The demand for new child care spaces is based on current projections of child care need prepared as part of this nexus study. The demand for child care from new development uses the same assumptions that have been used for existing development and is based on the methodology discussed at the beginning of this chapter and other research conducted for this study. The fee revenue will be used to fund new development's fair share of required child care facilities and/or new spaces at existing facilities. For development projects which require more than 14 spaces, the developer would have the option of providing the facility on- or offsite or paying the linkage fee. The City's current child care fee allows for either providing child care space or paying an in-lieu linkage fee.

Need for the Child Care Linkage Fee

Each new residential or commercial project that is developed in the City and County of San Francisco will generate new residents and non-resident employees. Current data on the supply of child care in the City shows that approximately two-thirds (or 64%) of the children needing licensed care have an available space. New development will add to this unmet demand for child care and aggravate the existing shortage of child care. The Child Care Linkage Fee will provide or fund new development's share of required child care facilities and spaces over the next 19 years. The linkage fee, however, will not be used to address existing deficiencies.

Proportionality of the Child Care Linkage Fee

This analysis assumes that the City and County of San Francisco will fund 100% of the total potential demand for child care in the City arising from new development through the Child Care Linkage Fee program. New development is being assessed fees only for their proportional share of the cost of providing new child care facilities and spaces in the City, assuming the same cost and demand factors that are applied to existing development. The child care linkage fee program addresses the impact of new development and not existing development. This study presents the maximum amount of fees by land use that could be charged to new development based on its impacts. However, the City can choose to adopt a fee rate that is less than the amounts discussed in this study.

3. Summary of Study Approach

This study estimates the current number of children ages 0 to 13 years old who require child care and the future demand for child care from new development, both residential and non-residential, through 2025.

- ◆ Children are analyzed in three age groups:
 1. Birth to 24 months old, or **Infants**
 2. 2 to 5 years old, or **Preschool**
 3. 6 to 13 years old or **School Age**

- ◆ Several types of child care spaces and providers are discussed:
 - **Small Family Child Care Home** that serves up to 8 children and can serve all age groups with limits on number of spaces per age group;
 - **Large Family Child Care Home** that serves up to 14 children and can serve all age groups with limits on number of spaces per age group;
 - **Child Care Center** that can serve all age groups, depending on its license(s); infants require a separate license from other age groups; and
 - **School Age**, which typically just serve school age children but may also serve preschool-age children

- ◆ Children as a percent of total population is a key factor in the child care demand analysis. These rates are taken from the California Department of Finance’s P-3 Report, which forecasts population by age. The following represents a summary of the rates assumed in the analysis:

Year	Infants	Preschool	School Age	Total, 0 to 13
2006	2.3%	4.1%	6.1%	12.5%
2006-2025 ⁷	1.5%	3.3%	7.2%	12.1%

- ◆ While the overall rate does not change very much during the analysis period, the rate by age group does change significantly. In particular, infants and preschool-age children decrease, and school age children increase.

⁷ These rates are the average by age over the time period (to 2025).

- ◆ All child care spaces analyzed in this report are either licensed or license-exempt⁸ child care and spaces provided by the City’s Latchkey program run by the Recreation and Park Department. The City’s Recreation and Park Department’s program is also not considered formally license-exempt but is a main source of school age care in the City. Private school afterschool spaces are not included in the supply data, because it is not possible to determine if they are already counted in other license or license exempt supply data.
- ◆ This analysis estimates that 37% of infants with working parents need licensed child care,⁹ and 66% of school age children with working parents¹⁰ require licensed child care. For preschool, a total of 100% of all preschool-age children with working parents are assumed to need a licensed preschool space.
- ◆ In addition to residents, this study also estimates that 5% of non-resident employees in San Francisco need licensed care, and each of these employees generates one child needing a licensed child care space on average. This factor is based on data derived from child care nexus studies from South San Francisco and Santa Monica.¹¹
- ◆ The Department of Children, Youth, and Their Families proposes that the child care inclusionary requirement and linkage fee will apply citywide to all new development—and redevelopment where building space increases overall—and will apply to all land uses, residential and non-residential, including:
 - Single Family
 - Multi-Family, Units with 0 to 1 bedroom
 - Multi-Family, Units with 2 or more bedrooms
 - Civic, Institutional, Educational
 - Hotel
 - Industrial

⁸ License-exempt spaces are child care providers that are generally associated with a public agency such as a unified school district; typically only school age care is license-exempt. This is a different status than unlicensed care. The local Child Care Resource & Referral Agency collects some data on license-exempt providers, but these providers are not required to register with the State. This analysis uses data collected by the Low Income Investment Fund (LIIF) on license-exempt providers, and from City’s Recreation and Park Department’s Latchkey program.

⁹ Based on a study prepared for Santa Clara County, which surveyed 1,400 working families. Also see Appendix A for more information.

¹⁰ Based on local San Francisco surveys and other child care studies. See Appendix A for more information.

¹¹ Information on South San Francisco is from “South San Francisco Child Care Facility Impact Free Study” by Brion & Associates, 2002. For the City of Santa Monica, see “Child Care Linkage Program,” prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

- Medical
- Office
- Retail

For this analysis, single resident occupancy (SRO) units and senior units are not assumed to generate any children by definition and are thus not included in the fee calculations.¹²

- ◆ The Consultant and the Department of Children, Youth, and Their Families suggest that a new non-residential project would have to generate the need for at least 14 child care spaces in order to provide child care space to meet its impact or for a residential project, a unit could be set aside for a small family child care home, serving up to 8 children. It is suggested that any project with an impact lower than 14 spaces would pay the linkage fee with the exception of the residential project that prefers to provide a unit onsite for a small family child care home. It is further suggested that projects with an impact of over 14 spaces could choose either option, i.e., pay the fee or build the space, onsite or offsite, consistent with the current child care fee ordinance. It also suggested that residential projects could have the option, at the City's discretion, of setting aside units that could be designated for family child care home units, either small or large, as a means of meeting the requirements of the child care ordinance. The rationale for 14 spaces is that this represents the size of a large family child care home.
- ◆ For indoor child care space requirements, a factor of 109 square feet of gross building space per child is required based on the average of 13 recent San Francisco child care projects partially funded through the City's existing Child Care Facilities Fund. This factor includes the 35 square feet of play space per child based on State licensing requirements combined with additional ancillary space, such as kitchens, halls, bathrooms, storage, and lobbies. For outdoor space requirements, a total of 75 square feet of outdoor space per child is required based on State licensing requirements.

¹² It is recognized that some single resident occupancy units do house children, but the intent of this type of housing is not family housing, and, thus, they are excluded; senior housing generally has age restrictions that exclude children.

4. Existing and Projected Demographics

Table 1 shows current (2006) and future (2025) data on population, households/housing units, and employment for San Francisco. The forecast and land use data are based on a recent forecast by Moody's "Economy.com" and adjusted by Brion & Associates, and other land use information and data from the City and County of San Francisco Planning Department. (For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: "City Growth Forecast and Demographic Data.") There are an estimated 777,000 residents and 536,000 jobs as of 2006. Future population is estimated at about 833,000 residents and 620,000 jobs by 2025.

Total new development expected to occur from 2006 to 2025 would include the following:

- ◆ 55,871 new residents;
- ◆ 24,505 new dwelling units; and
- ◆ 83,807 new employees.

Given that Mission Bay, Rincon Hill, and Visitation Valley, unlike other areas of the City, are already subject to project specific development impact fees and are therefore excluded from the development assumed to be subject to any of the new fees analyzed in this report, as shown in **Table 1**.

Net new development without Mission Bay, Rincon Hill, and Visitation Valley from 2006 to 2025 that would be subject to the child care fee includes:

- ◆ 46,108 new residents;
- ◆ 19,146 new dwelling units; and
- ◆ 67,367 new employees.

Table 2 presents the number of children in San Francisco based on 2000 U.S. Census data. The percentage of children by age group is based on the breakdown of children by age group from the Census and divided by the total population. Overall, children 0 to 13 years old comprise 11.3% of the population as of 2000. This table also shows the labor force participation rates of parents with children for each age group as of 2000. In calculating these rates, we count households with children in which there are two working parents or a single working parent. The Census breaks this down for households with children under the age of 6 and children ages 6 and over. On average, 57.6% of children under the age of 6 have working parents, and 63.2% of children ages 6 and over have working parents in San Francisco.

For this analysis, the number of children by age for children 0 to 13 years old is estimated based on percentages from the California Department of Finance P-3 Report for the City

and County of San Francisco. **Table 3** first applies the percent of children by age group to the total 2006 population estimate of 760,673 (excluding Mission Bay, Rincon Hill, and Visitation Valley¹³). This 2006 population estimate is based on data from the City's Planning Department and the forecast prepared for the Citywide Development Impact Fee Project and has been adjusted to be in-line with the employment estimates which are from Moody's "Economy.com." Next, the percent of total estimated employed residents in the City and residents who work outside the City (based on 2000 Census data) is applied to the 2006 population estimate to determine the number of children who might need care outside of San Francisco and those that require care in San Francisco. The "Net Residents" or those residents who are presumed to require care for their children in San Francisco is approximately 753,500. Based on this methodology, which discounts the population of those needing care outside of the City, it is estimated that there are approximately 88,000 children between the ages of 0 and 13 in San Francisco as of 2006.

¹³ The number of children for Mission Bay, Rincon Hill, and Visitation Valley is included for information purposes in Appendix B, Table F.

Table 1
Projected Growth in San Francisco from 2006-2025
San Francisco Child Care Linkage Fee Nexus Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
			Amount (3)	Avg. Annual Growth Rate			
<u>Total Population</u>	(1)	777,121	55,871	0.37%		832,992	na
Visitation Valley		11,501	1,242	0.54%		12,743	90%
Mission Bay		2,112	3,711	5.48%		5,823	65%
Rincon Hill		<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal		16,448	9,763			26,211	
Total w/out MB/RH/VV	(2)	760,673	46,108	0.31%		806,781	na
<u>Total Housing Units</u>	(1)	341,052	24,505	0.37%	2.28	365,557	na
Visitation Valley		3,100	276	0.45%	4.51	3,376	91%
Mission Bay		1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill		<u>1,500</u>	<u>3,100</u>	6.08%	1.55	<u>4,600</u>	100%
Subtotal		5,800	5,359			11,159	
Total w/out MB/RH/VV	(2)	335,252	19,146	0.29%	2.27	354,399	na
<u>Total Employment</u>	(1)	536,224	83,807	0.77%		620,031	na
Visitation Valley		1,268	149	0.59%		1,417	100%
Mission Bay		8,901	15,118	5.36%		24,020	100%
Rincon Hill		<u>17,811</u>	<u>1,172</u>	0.34%		<u>18,983</u>	100%
Subtotal		27,981	16,440			44,420	
Total w/out MB/RH/VV	(2)	508,243	67,367	0.66%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

**Table 2
Children as Percent of Total Population in 2000 and
Labor Force Participation Rates for Parents with Children Under 6 and 6-17 Years in 2000
San Francisco Child Care Linkage Fee Nexus Study**

2000 Census Data	Population by Age as of 2000					2000 Total Population
	0 to 24 Mos. Years	2 to 5 Years	6 to 9 Years	10 to 13 Years	Total 0-13 Years	
San Francisco Population	13,001	24,267	25,140	25,501	87,909	776,733
Percentage of Total Population	1.7%	3.1%	3.2%	3.3%	11.3%	
Labor Force Participation Rates (1)	57.6%	57.6%	63.2%	63.2%		

(1) Labor Force Participation Rates are calculated for children with two working parents or a working single parent. LFPRs are calculated for children under age 6 and for children ages 6 to 17.

Sources: Census 2000; Brion & Associates.

**Table 3
Number of Children and Total Population of San Francisco for 2006 and 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study**

San Francisco	Total Population All Ages	Population by Age (1)			Total 0-13
		0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)	
<u>Children as of 2006 (w/out MB, RH, VV)</u>					
Children as % of Population by Age Group (1)		2.3%	4.1%	6.1%	12.5%
Total Population at 2006 (2)	760,673	17,261	31,182	46,569	95,012
Total Estimated Employed Residents in City SF Employed Residents Working Outside SF (5)	41% 23%	315,351 (3) 72,739			
Those Needing Child Care Outside SF (5)	5%	7,214 (4)	3,607	3,607	
Net Residents		753,459			
Estimated Children at 2006 (5)			13,654	27,575	46,569
<u>New Children 2006-2025 (w/out MB, RH, VV)</u>					
Children as % of Population by Age Group (6)		1.5%	3.3%	7.2%	12.1%
Net New Population	46,108				
Senior and SRO Population	1,081				
Net Population with Children	45,027				
Estimated Children of New Residents		696	1,505	3,244	5,445
New Employed Residents (7)	50% 22,432				
New Employed Residents Working Outside SF	23% 5,174				
Those Needing Child Care Outside SF (5)	5% 259	129	129		259
Net New Residents Possibly Needing Care	44,768				
Net New Children 2006 to 2025			566	1,375	3,244
<u>Total Children at 2025 (w/ MB, RH, VV)</u> (8)					
Total Population	832,992				
Senior and SRO Population	24,990				
Net Population with Children	808,003				
Children as Percent of Total Population at 2025		1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents		9,480	18,666	47,102	75,248
New Employed Residents	50% 402,546				
New Employed Residents Working Outside SF	23% 92,852				
Those Needing Child Care Outside SF (5)	5% 4,643	2,321	2,321		4,643
Total Residents Possibly Needing Care	803,360				
Total Children 2025			7,158	16,345	47,102

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).
(2) Excludes Mission Bay, Rincon Hill and Visitation Valley areas as they have special agreements regarding child care.
(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.
(4) Based on non-resident employee demand for child care in SF. See Table 6.
(5) Based on Journey to Work data - see Table 5 and Table 6.
(6) Based on total population as estimated times the average percentage of children per age group from above.
(7) Based on forecasts of Employed Residents at 2025 by ABAG.
(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.
Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Table 3 also estimates the number of children expected in San Francisco between 2006 and 2025, based on the changes in the percent population that are children, 0 to 13, through 2025. Not including the Single Resident Occupancy population and excluding children assumed to need care outside of San Francisco, it is estimated that there will be 5,186 additional children associated with new development from 2006 to 2025. Using the same methodology, and as shown at the bottom of **Table 3**, the number of total children at 2025 is expected to total approximately 70,605.

Overall, children 0 to 13 in the City as a percent of total population will decline from 12.5% to 9.3% by 2025. This trend is forecast by the California Department of Finance based on changes in demographics, such as the age women have children and the number of children they have. The Association of Bay Area Governments (ABAG) forecasts a reduction of 16,000 in children 0 to 5 for the nine-county region.¹⁴ Almost all counties are forecast to have a net reduction in children ages 0 to 14 by 2025. For instance; Marin County is forecast to lose about 3,200 children 0 to 14, Santa Clara County will lose about 3,900 children 0 to 5, San Mateo County will lose about 4,500 children 0 to 14, Alameda County will lose about 1,500 children 0 to 14, and Contra Costa County will lose 9,800 children 5 to 14. Only Solano and Napa Counties are expected to add children overall from 2005 to 2025.

Even though the City will lose children overall, new development will generate new children, albeit at lower rates than currently, and generate new demand for child care. After accounting for the child care spaces planned to be funded through the proposed fee program, there will still be an unmet demand for child care as discussed further in this study (see **Table 9**).

¹⁴ See *ABAG Projections 2005*, population by age and county.

5. Existing Child Care Demand and Supply

Current Child Care Supply

Table 4 presents the current supply of child care in San Francisco. This data are summarized by type of facility and number of spaces by age group and was provided by the San Francisco Department of Children, Youth, and Their Families and the Department of Human Services. These data are consistent with the supply data being used for preparation of the City's updated Child Care Needs Assessment.

Overall, there are approximately 31,800 child care spaces at a total of 1,012 child care facilities. These facilities do not include the private afterschool programs for school age children. The breakdown of facilities and spaces is (see **Table 4**):

- ◆ 303 child care centers with 18,161 spaces;
- ◆ 562 small family child care homes with 4,430 spaces;
- ◆ 147 large family child care homes with 1,956 spaces; and
- ◆ 7,295 school age spaces through the San Francisco Unified School District and the City's Recreation and Park Department's Latchkey programs.

Spaces at child care centers make up over half of all spaces (57%), with small and large family child care homes making up about 20% and school age license-exempt care making up the remaining 23%. The amount and distribution of existing supply includes:

- ◆ Infant spaces, at 2,646 or 8% of total;
- ◆ Preschool spaces, at 14,410 or 45% of total; and
- ◆ School age spaces, at 14,789 or 46% of total.

Non-Resident Employees

Table 5 uses Journey-to-Work data from the 2000 U.S. Census to determine the number of residents who both live and work in San Francisco and the number of residents who work outside of San Francisco. This is the total count of employed residents who live in San Francisco. **Table 5** also shows the total estimated number of employees in San Francisco. Based on these numbers, it is estimated that 55.2% of employees live and work in the City, and 44.8% of employees who work in San Francisco live elsewhere.

For 2006, it is estimated that there are 508,243 jobs in the City, excluding those in Mission Bay, Rincon Hill, and Visitation Valley. Of these jobs, 227,616 are held by individuals that reside outside of the City or 44.8%. Based on employment projections (see **Table 1**) and the estimated percentage of employees who live outside of the City, it is estimated that of the total 575,611 jobs in 2025, the number of jobs held by individuals who do not live in the City will total 257,787. These estimates are used in **Tables 6 through 8** to calculate the estimated number of children of non-resident employees that

need licensed child care in San Francisco. Overall, there will be an increase in jobs held by individuals that do not live in the City, or non-resident employees of about 30,170 through 2025.

In 2006, there are an estimated 227,600 employees who work in the City and live elsewhere. For this analysis, we estimate child care demand for non-resident employees who work in San Francisco. Employees who work and live in San Francisco are counted under population demand estimates below. It is estimated that 5% of these employees in San Francisco have children requiring licensed-based care in the City. This percentage is based on the South San Francisco child care fee nexus study and surveys of corporate employees as well as the recent Santa Monica child care nexus fee study.¹⁵ Of those needing licensed care, the analysis also assumes one child per employee ages 0 to 5. Based on this data, approximately 11,381 children, whose parents work in San Francisco but reside elsewhere, require child care in San Francisco in 2006. By 2025, this number will increase by approximately 1,509 to a total of 12,889 children needing spaces.

Existing Child Care Demand and Supply Comparison

Current child care demand, as well as the current supply of child care in San Francisco, is summarized in this section. **Table 7** calculates the existing demand for child care based on the estimated number of children in 2006 and applying demand factors, including labor force participation rates of parents, and estimates of the need for licensed care by age group. This is calculated by taking the estimated number of children by age group and multiplying it by the labor force participation rates by age. The product of these numbers is considered the number of infant, preschool, and school age children with working parents who need some type of child care.

The percent of children requiring licensed care is then calculated by applying percentages based on a review of several child care studies, including child care impact fee studies (see **Appendix A**). For this study, we assume that, for residents, 37% of infants, 100% of preschool, and 66% of school age children with working parents require licensed care.

For non-resident employee child care demand, which is from 0 to 5 years old, we estimate that 25% of that demand is for infants, and 75% is for preschool-age children. It is assumed that school age children of non-resident employees receive care near their places of residence or near or at their neighborhood schools and not in San Francisco.

¹⁵ Information on South San Francisco is from “South San Francisco Child Care Facility Impact Fee Study” by Brion & Associates, 2002. For the City of Santa Monica, see “Child Care Linkage Program,” prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

Table 4
Child Care Supply Data for San Francisco as of June 2006
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care Facility	Number of Facilities - Providers	Number of Child Care Spaces by Age				Total Spaces, 0 to 13	Percent Distribution of Spaces by Type
		Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age			
Child Care Center Percent Distribution	303	1,080 6%	11,248 62%	5,833 32%	18,161 100%	57.0%	
Sm. Family Child Care Home (1) Percent Distribution	562	1,124 25%	2,182 49%	1,124 25%	4,430 100%	13.9%	
Lg. Family Child Care Home (1) Percent Distribution	147	441 23%	978 50%	537 27%	1,956 100%	6.1%	
School Age Care (2) SFUSD Programs (Excel/SF Team) Rec & Park LatchKey	na na			6,895 400			
Total School Age Percent Distribution				7,295 100%	7,295 100%	22.9%	
Total, All Facilities Percent Distribution	1,012	2,646 8%	14,410 45%	14,789 46%	31,842 100%	100.0%	

(1) Distribution of these spaces is based on licensing restrictions by age; actual spaces by age may vary from these estimates.

The ages served by FCCCHs are not reported to the local Resource and Referral Agency.

(2) From Department of Children, Youth and Their Families (October 2006); excludes some unlicensed community based organizations such as Boys & Girls Clubs and other non licensed or licensed exempt care due to inability to verify total capacity at these programs. Excel/SF Team data is from the San Francisco Unified School District School Health Program Data, 2005-2006. Rec & Park LatchKey Data is from the San Francisco Rec and Park Staff Survey in 2005.

Sources: SF Department of Children, Youth and Their Families; and Brion & Associates.

Table 5
Journey to Work Data and Employees Living Elsewhere but Working in San Francisco by Year
San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Amount	Rates	Notes
Employed Residents that Live & Work in San Francisco in 2000 (1)	322,009 <i>a</i>	76.9%	
Employed Residents that Work Outside San Francisco in 2000 (1)	96,544 <i>b</i>	23.1%	
Total # of Employed Residents in 2000 (1)	418,553 <i>c</i>	100.0%	$a + b = c$
Estimated Total Employees in City as of 2000 Census	583,190 <i>d</i>		
Percent of Employees that Live and Work in City in 2000	55.2% <i>e</i>		$a / d = e$
Percent of Employees that Live Elsewhere and Work in the City in 2000	44.8% <i>f</i>		$100\% - e$
Estimated Current Jobs as of 2006 (2)	508,243 <i>g</i>		
Employees Living Elsewhere Working in San Francisco in 2006 (3)	227,616 <i>h</i>		$g * f = h$
Projected total Jobs at 2025 (2)	575,611 <i>i</i>		
Employees Living Elsewhere Working in San Francisco in 2025	257,787 <i>j</i>		$i * f = j$

- (1) Based on Journey-to-Work data from the 2000 U.S. Census.
- (2) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.
- (3) Assumes same ratio of employed residents living and working in San Francisco from 2000.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

Table 6
Existing and Future Child Care Demand from Non-Resident Employees: 2006 and 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Existing Conditions 2006	Future Conditions 2025	Net Growth, 2006-2025
Employees that live elsewhere but work in San Francisco (1)	227,616	257,787	30,170 (4)
Estimated Number of Children of Employees Needing Licensed Care			
Estimated % of Employees with Children Needing Care (2)	5%	5%	na
Children Needing Licensed Care (3)	11,381	12,889	1,509

- (1) Based on SF DCP Projections (Table 1) and U.S. Census Journey-to-Work data (see Table 5).
- (2) Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study.
- (3) Assumes one child per employee.
- (4) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

**Table 7
Existing Child Care Demand and Supply in San Francisco in 2006
San Francisco Child Care Linkage Fee Nexus Study**

Existing Conditions at 2006	Child Care Demand & Supply by Age				
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old	
<i>EXISTING DEMAND at 2006</i>					
Resident Children Potentially Needing Care	(1)	13,654	27,575	46,569	87,798
Average Labor Force Participation Rates	(2)	57.6%	57.6%	63.2%	
Children With Working Parents		7,864	15,881	29,454	53,199
% Children Needing Licensed Care	(3)	37%	100%	66%	72%
Children Needing Licensed Care		2,910	15,881	19,498	38,289
Percent of Children by Age Needing Care		21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces		5,755	24,417	19,498	49,670
Percent Distribution		12%	49%	39%	100%
<i>EXISTING SUPPLY at 2006</i>					
	(5)				
Family Child Care Homes					
Small, Licensed for 8		1,124	2,182	1,124	4,430
Large, Licensed for 14		441	978	537	1,956
Child Care Centers		1,080	11,248	5,833	18,161
School Age Care		-	-	7,295	7,295
Current Available Spaces		2,645	14,408	14,789	31,842
Percent Distribution		8%	45%	46%	100%
<i>EXISTING SURPLUS/(SHORTAGE) at 2006</i>					
		(3,110)	(10,009)	(4,709)	(17,828)
Percent Distribution		17%	56%	26%	100%
Percentage of Demand Met by Existing Facilities/Spaces		46%	59%	76%	64%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of existing population for 2006. Excludes residents that work outside of SF and need child care outside SF (see Table 3) and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Labor force participation rates (LFPRs) are from the 2000 Census and include children with two working parents or single working parents. The Census calculates LFPRs for all children under 6 years, and children 6 to 17 years old. Therefore, LFPRs for infants and preschool are the same. (See Table 2 for more information.)
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age. School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Applying these assumptions regarding the percent of children needing licensed care for residents and employees generates the total number of children requiring licensed child care spaces by age. The number of existing required spaces totals 49,670. Accounting for the current supply of child care, which is summarized in **Table 4**, we find that there is a shortage of 17,828 spaces overall for children ages 0 to 13 in San Francisco. Most of this shortage is for preschool-age and school age care. Overall, there are child care spaces available for about 64% of the children needing care. This does not account for whether they can afford these child care spaces, however. For infant care, 46% of demand is being met; for preschool, 59% of overall demand is met currently; and for school age children, 76% of demand is being met. Overall, one-third of children that need a licensed child care space may not have one available, irrespective of affordability.

In summary, of total children 0 to 13 living in the City, which equals 87,800; 44%, or slightly less than half, are assumed to require licensed child care outside the home. Overall, there is demand for nearly 50,000 child care spaces. With a supply of about 31,800 spaces, there is a significant shortfall of spaces in the City as of 2006.

Another measure of the unmet need for child care in the City includes the current waiting list for child care. The San Francisco Centralized Eligibility List publishes a monthly report which includes information on the number of children who are eligible for subsidized child care.¹⁶ To be eligible for the List, families must be low-income (i.e., at or below 75% of the State Median Income) and meet at least one of the following needs: working, looking for work, attending school or in training, homeless, medically incapacitated, or receiving Child Protective Services.¹⁷ Thus, not all the children estimated above needing a child care space are eligible for this List because it focuses on low-income children.

As of January 2007, there were 3,039 eligible children on the Centralized Eligibility List. This is over 1.5 times the 1,833 children currently enrolled in subsidized child care in the City. Of the total eligible children in January 2007, 1,242 (41%) were in families that earned 25% or less of the State Median Income. Approximately 45%, or 1,358 children, were in families which earned 25% to 50% of the State Median Income and 374 children (12%) were in families earning 50% to 75% of the State Median Income. Less than 2% of children came from families who earned over 75% of the State Median Income.

Future Child Care Demand

The future demand for child care is shown in **Table 8** and is based on projected population growth between 2006 and 2025 as discussed above. Demand is calculated using the same methodology and assumptions as in the previous tables for current

¹⁶ See *San Francisco Centralized Eligibility List Monthly Report* (as of 1/01/2007) for further explanation on the different categories and more detailed information.

¹⁷ Please see the San Francisco Centralized Eligibility List website: www.celsf.org.

demand and supply, with the exception of children as a percent of the total population, which is forecast to decline very slightly by 2025 from 12.5% in 2006 to 12.1% for the period 2006 to 2025 (see **Table 3**).¹⁸

Because we do not have estimates of future supply, the future demand analysis only presents future demand. **Table 8** calculates the total new demand for child care between 2006 and 2025, which is expected to equal 3,780 licensed child care spaces. Over half of these spaces, or 2,271 spaces, are generated by San Francisco residents. By age, the breakdown is as follows:

- ◆ 498 infant spaces, or 13% of total
- ◆ 1,923 preschool spaces, or 51% of total
- ◆ 1,358 school age spaces, or 36% of total

Table 9 shows the total child care demand at 2025, based on current and future demand, including the estimated 3,780 spaces to be added through the fee program. Assuming the child care fee program is updated as proposed herein and funds the 3,780 spaces needed, there would be an estimated shortfall of approximately 6,400 spaces at 2025, due to existing deficiencies. By age group, the estimated shortfalls equal:

- ◆ 1,228 infant spaces, or 19%;
- ◆ 1,618 preschool spaces, or 25%; and
- ◆ 3,574 school age spaces, or 56%.

The child care needs of Mission Bay, Rincon Hill, and Visitation Valley, which are excluded from the analysis as discussed above, are estimated for informational purposes and included in **Appendix B: Tables F and G**.

¹⁸ The average rates for children as a percent of the total population from the Department of Finance vary slightly from year to year, and this analysis uses the average rates between 2010 and 2025 for the net new growth in the City.

**Table 8
Future Demand for Child Care: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study**

Future Growth - 2006 to 2025	New Population & Employment	% Distri- bution	New Child Care Demand by Age			Total. 0 to 13 Years Old
			Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	
Future Child Care Need						
New Population with Children - 2006 to 2025	(1) 44,768	(see Table 3)				
Resident Children Potentially Needing Care						
Estimated Number of Children by Age	(2) (see Table 3)		566	1,375	3,244	5,186
Average Labor Force Participation Rates	(3)		57.6%	57.6%	63.2%	
Children With Working Parents			326	792	2,052	3,170
% Children Needing Licensed Care	(4)		37%	100%	66%	72%
Children Needing Licensed Care			121	792	1,358	2,271
Percent of Children by Age Needing Care			21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(5) (see Table 6)		377	1,131		1,509
<i>Distributed by Land Use Category</i>						
Civic, Institutional, Education	89	0%	0	1	-	2
Hotel-Motel	2,347	3%	13	39	-	53
Industrial/PDR	13,409	20%	75	225	-	300
Medical	3,849	6%	22	65	-	86
Office	40,662	60%	228	683	-	911
Retail	7,011	10%	39	118	-	157
Total Future Employee Demand for Child Care	67,367	100%	377	1,131	-	1,509
Total New Demand for Child Care Spaces			498	1,923	1,358	3,780
Percent Distribution			13%	51%	36%	100%

- (1) Excludes residents that work outside of SF and need child care outside SF (see Table 3) and represents population associated with SF and MF unit development and excludes SRO and senior units and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
- (3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
- (4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (5) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age. School age children are assumed to have care near their home and school.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

**Table 9
Total Child Care Demand at 2025
San Francisco Child Care Linkage Fee Nexus Study**

Existing Conditions	Child Care Demand & Supply by Age			
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old
DEMAND at 2025				
Resident Children Potentially Needing Care (1)	7,158	16,345	47,102	70,605
Average Labor Force Participation Rates (2)	57.6%	57.6%	63.2%	
Children With Working Parents	4,123	9,414	29,791	43,327
% Children Needing Licensed Care (3)	37%	100%	66%	71%
Children Needing Licensed Care	1,525	9,414	19,721	30,660
Percent of Children by Age Needing Care	21%	58%	42%	43%
Non-Resident Employee's Children Needing Care (4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces at 2025	4,371	17,949	19,721	42,041
Percent Distribution	10%	43%	47%	100%
EXISTING & FUTURE SUPPLY at 2025 (5)				
Family Child Care Homes				
Small, Licensed for 8	1,124	2,182	1,124	4,430
Large, Licensed for 14	441	978	537	1,956
Child Care Centers	1,080	11,248	5,833	18,161
School Age Care	-	-	7,295	7,295
Future Supply Funded with Fee Program (6)	498	1,923	1,358	3,780
Total Expected Spaces at 2025	3,143	16,331	16,147	35,622
Percent Distribution	9%	46%	45%	100%
ESTIMATED SURPLUS/(SHORTAGE) at 2025				
Percent Distribution	19%	25%	56%	100%
Percentage of Demand Met by Existing & Planned Facilities/Spaces	72%	91%	82%	85%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of total future population at 2025. (See Tables 1 and 3).
Note: includes Mission Bay, Rincon Hill and Visitation Valley existing development so as to give a full estimate of total demand at 2025.
- (2) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years.
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Demand for preschool is based on the Universal Preschool approach which is a policy goal of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.
- (6) Includes future supply expected to be constructed through the Linkage Fee Program (see Table 8).
- Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

6. Child Care Facilities Master Plan

As part of this effort, a plan for how the City would provide new child care spaces given the existing supply of child care by type, and the cost of providing new child care by type, has been prepared. The breakdown of new child care spaces by type of facility and age is shown for projected future demand in **Table 10**. This distribution of future spaces reflects the current supply by type of facility and age as well as the likelihood of each type of supply to expand or add more spaces. **Table 10** shows the breakdown of spaces by facility and age for the estimated 3,780 licensed spaces that will be required by new residents and non-resident employees in San Francisco. About 48% of the new spaces will be center-based through new centers, expansions of existing centers, or new centers in new or existing commercial space. About 34% of the spaces will be created through new and expanding family child care homes. For school age children, half of the new spaces are assumed to be school age care onsite at existing schools, and the other half will be split between center-based and family child care homes. Based on this breakdown of spaces, **Table 10** also calculates the total costs by type of care for new child care spaces. Child care spaces at new child care centers are the most expensive at approximately \$27,400 per space based on data from other San Francisco child care projects over the last several years.¹⁹ The costs per space by type of care are:

- ◆ \$27,400 per space for new child care center spaces;
 - ◆ \$13,700 for spaces in existing or new commercial space;
 - ◆ \$13,700 per space for existing child care centers which choose to expand;
 - ◆ \$500 per space for new small family child care homes;
 - ◆ \$1,429 per space for new large family child care homes;
 - ◆ \$3,333 per space for small family child care homes to expand to large family child care homes (net increase of 6 spaces per home); and
 - ◆ \$8,333 per space for school age care at existing schools.
- ◆ *Average: \$12,325 per space across all types of care.*

If San Francisco were to have a higher proportion of new center spaces, the average cost per space would be higher. The total cost of new required child care facilities equals about \$46.6 million, based on the above rates and distribution of spaces by facility type. Taking the average cost among these various types of care, however, is reasonable, given that the type of care that will actually be built is difficult to predict. This method reflects a reasonable estimate of what the City will build with the fee revenues given the distribution of demand by type of care, age, and the supply of existing types of child care. For instance, only a portion of small family child care homes can be assumed to be interested in or capable of expanding to large child care homes.

¹⁹ These costs have been adjusted for inflation and expressed in 2006 dollars.

Table 10
Estimated Cost of Child Care Spaces by Type of Space and Age: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Facility or Program	Average Cost per Space by Facility Type	Birth to 2 or Infant	3 to 5 or Preschool	6 to 13 or School Age	Totals, 0 to 13 Years Old	Percents of Totals
Target Number of Spaces	(see Table 8)	498	1,923	1,358	3,780	
1. Build New Centers: Spaces		199	769	102	1,070	28.3%
Costs (1)	\$27,406	\$5,457,364	\$21,085,657	\$2,792,060	\$29,335,081	63.0%
2. New Centers in Existing or New Commercial Space		50	192	102	344	9.1%
Costs (1)	\$13,703	\$682,170	\$2,635,707	\$1,396,030	\$4,713,908	10.1%
3. Expand at Existing Centers: Spaces		75	289	34	397	10.5%
Costs (2)	\$13,703	\$1,023,256	\$3,953,561	\$465,343	\$5,442,160	11.7%
4. New Small Family Child Care Homes: Spaces		100	385	272	756	20.0%
Costs (3)	\$500	\$49,782	\$192,344	\$135,836	\$377,963	0.8%
5. New Large Family Child Care Home Spaces		50	192	136	378	10.0%
Costs (4)	\$1,429	\$71,118	\$274,778	\$194,052	\$539,947	1.2%
6. Expand FCCH from 8 to 14: Spaces		25	96	34	155	4.1%
Costs (5)	\$3,333	\$82,971	\$320,574	\$113,197	\$516,741	1.1%
7. School Age at Existing Schools		-	-	679	679	18.0%
Costs (6)	\$8,333			\$5,659,846	\$5,659,846	12.1%
Total Spaces	na	498	1,923	1,358	3,780	100%
Total Costs	na	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646	100%
Average Cost by Age Group	na	\$14,798	\$14,798	\$7,919	\$12,325	

Note: This matrix of child care spaces is derived by evaluating the current supply of spaces and estimating how many facilities might expand; based on past development of spaces and the demand for child care by age group, as determined by the consultant and DCYF.

- (1) Based on actual project costs for 13 projects that have received some funding from the City of San Francisco's low-interest loan program for child care facilities (See Appendix Table B).
- (2) Expansion is assumed to cost 50% of new child care center spaces.
- (3) Assumes cost based on approximation of \$4,000 to set up a new small family child care home for 8 children.
- (4) Assumes cost based on approximation of \$20,000 to set up a new large family child care home for 14 children. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (5) Assumes cost based on approximation of \$20,000 to expand from a small to a large family child care home. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (6) Assumes \$350,000 per portable serving 36 children on average for before- and after-school care.

Sources: City of San Francisco; LINCC; Brion & Associates.

Table 11 summarizes the new child care spaces and costs and shows the average number of spaces and costs per year over the study period or 2006 to 2025. As shown, infant and preschool spaces cost more on average than school age spaces. Over the 19-year period, on average, there will be an annual need for 26 infant spaces, 101 preschool spaces, and 71 school age spaces, or an overall total of about 199 per year. The average annual cost of these spaces would be approximately \$2.6 million per year. In reality, new development will be higher or lower in any given year, and the actual child care needs would be more or less than the averages presented here.

Table 11
Summary of New Demand for Child Care and Costs 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Child Care Demand - 2006 to 2025			Total Estimated Child Care Need in Spaces	
	Birth to 23 months or Infant	2 to 5 or Preschool	6 to 13 or School Age		
Total New Demand from 2006 to 2025 for Child Care by Age	498	1,923	1,358	3,780	
City's Target as % of Total	100%	498	1,923	1,358	3,780
Average Facility Cost per Space	\$14,798	\$14,798	\$7,919	\$12,325	
Total Cost of Child Care Spaces (excluding administrative costs)	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646	
With Administrative Costs (5%)	\$7,734,994	\$29,885,752	\$11,294,183	\$48,914,928	
Average No. of Spaces per Year (1)	26	101	71	199	
Average Cost per Year (1)	\$407,105	\$1,572,934	\$594,431	\$2,574,470	

(1) Assumes growth occurs evenly over the 2006 to 2025 period; in reality, development will be higher or lower in any given year.
Sources: City of San Francisco; Brion & Associates.

7. Child Care Requirements

Table 12 calculates demand for child care spaces by type of future residential development. Assuming the City will fund 100% of the future demand for child care, it will need to fund 2,271 spaces generated by residential demand. As discussed above under **Section 3**, single resident occupancy and senior units are not assumed to generate children by definition and are therefore not included; these units are expected to make up 2-3% of the total new dwelling units in the City through 2025. There will be 45,014 new residents who are expected to generate 5,186 children 0 to 13 years old. Of these children, 44%, or 2,271 children, are assumed to need licensed care based on the methodology discussed above. This amount of children will generate a need for a total of 247,551 square feet of new child care space of various types and about 170,333 square feet of outdoor space.

Based on State child care licensing requirements, new residential units would be required to provide the following amounts of indoor and outdoor child care space:

- ◆ Single Family: 19.1 square feet of indoor space and 13.2 square feet of outdoor space;
- ◆ Multi-Family 0 to 1 bedroom: 12.6 square feet of indoor space and 8.7 square feet of outdoor space; and
- ◆ Multi-Family 2+ bedrooms: 14.4 square feet of indoor space and 9.9 square feet of outdoor space.

The breakdown is based on the persons per household factors for each of these three types of residential units. The San Francisco Planning Department estimates slightly more than 40% of new multi-family units will be larger units with 2 or more bedrooms, based on the City's housing policy requirements for most of the areas with development potential within the City.

The child care space requirement varies slightly between single family and multi-family units, based on population density or persons per household per unit. The City forecasts about 95% of the new development to be multi-family units, which include apartments, condos, live/work units, lofts, and flats. This forecast is based on historical development patterns, current applications and proposed projects, and current zoning in the City (see **Appendix C: Table C**).

Table 12
Child Care Requirement for Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total Residential Uses	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	4%	54%	41%	2%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	4%	55%	41%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	4%	55%	41%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	
Child Care Requirement in Sqft by Land Use (3)						
Building Space		247,551	9,138	135,901	102,512	
Outdoor Space		170,333	6,288	93,510	70,536	
Child Care Space Requirement per Unit (4)						
Building Space in Sqft		13.4	19.1	12.6	14.4	
Outdoor Space in Sqft		9.2	13.2	8.7	9.9	

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects Assumes an average outdoor space sqft of 75 based on state licensing requirements.

(4) If less than 14 spaces for Residential project and 24 spaces for Commercial Projects are required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.

Sources: Brion & Associates.

The demand for child care spaces from non-residential uses is calculated in **Table 13** by type of land use, for a total of 1,509 child care spaces. The child care requirements for non-residential development are expressed as square feet of child care space per 1,000 square feet of non-residential space, as shown in **Table 13** and summarized below:

- ◆ Civic, Institutional, Educational: 10.8 square feet of indoor space and 7.5 square feet of outdoor space;
- ◆ Hotel: 6.1 square feet of indoor space and 4.2 square feet of outdoor space;
- ◆ Industrial: 7.0 square feet of indoor space and 4.8 square feet of outdoor space;
- ◆ Medical: 10.8 square feet of indoor and 7.5 square feet of outdoor space;
- ◆ Office: 10.8 square feet of indoor space and 7.5 square feet of outdoor space; and
- ◆ Retail: 8.1 square feet of indoor space and 5.6 square feet of outdoor space.

- ◆ *Average: 9.3 square feet of indoor space and 6.4 square feet of outdoor space.*

The space requirements vary by land use because the employment densities vary by land use. The higher the density, or the more employees per square foot, the greater the child care requirements for that land use. The density assumptions (square feet per employee) are shown in **Appendix B: Table A** and are from the San Francisco Planning Department.

For projects that 1) are too small to create demand for a reasonably sized child care project (under 14 spaces); 2) do not want to provide child care space directly; or 3) cannot provide child care onsite, giving them the option of paying a linkage fee, which is calculated based on the space requirements shown in **Tables 12** and **13**, is suggested. This approach is consistent with the current child care fee program in the City. The proposed in-lieu or linkage fee rates are shown in **Tables 14** and **15**.

Table 13
Child Care Requirement for Non-Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item	New Non-Residential Uses						Total Non-Residential Space (Sq. Ft.)
	Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail	
Future Development: Sqft of Space (1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286
Child Care Space Demand (2)	2	53	300	86	911	157	1,509
City's Policy Target: % of Demand	100%	53	300	86	911	157	1,509
Child Care Requirement in Sqft by Land Use (3)							
Building Space	218	5,728	32,729	9,395	99,247	17,112	164,428
Outdoor Space	150	3,941	22,520	6,464	68,289	11,774	113,139
Child Care Space Requirement (4)							
CC Building Space in Sqft per 1,000 Sqft	10.8	6.1	7.0	10.8	10.8	8.1	9.3
CC Outdoor Space in Sqft per 1,000 Sqft	7.5	4.2	4.8	7.5	7.5	5.6	6.4

(1) Based on projections by SF Department of City Planning (July 2006); See Appendix Table A.

The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.

(2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.

(3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects Assumes an average outdoor space sqft of 75 based on state licensing requirements.

(4) If less than 14 spaces were required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on- or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.

Sources: Brion & Associates.

Table 14
Potential Maximum Residential Child Care Linkage Fee by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total - Residential	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	3.6%	53.9%	40.7%	1.8%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	3.7%	54.9%	41.4%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	3.7%	55%	41.4%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Cost of Child Care by Land Use (3)		\$27,992,479	\$1,033,294	\$15,367,388	\$11,591,797	
Administrative Cost Factor (4)		\$1,399,624	\$51,665	\$768,369	\$579,590	
Total Child Care Costs		\$29,392,103	\$1,084,959	\$16,135,758	\$12,171,386	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	-
Potential Maximum Linkage Fee Per Unit		\$1,519	\$2,164	\$1,422	\$1,623	
Administrative Cost per Unit	5.0%	\$76	\$108	\$71	\$81	
Total Potential Maximum Linkage Fee per Dwelling Unit		\$1,595	\$2,272	\$1,493	\$1,704	\$0

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average cost per space of \$12,325 (see Table 11).

(4) Assumes an administrative cost factor of 5.0% of total costs for administration of child care fee fund.

Sources: Brion & Associates.

Table 15
Potential Maximum Non-Residential Child Care Linkage Fee by Land Use Category
San Francisco Child Care Linkage Fee Nexus Study

Item	New Non-Residential Uses							Total Non-Residential Space (Sq. Ft.)
	Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail		
Future Development: Sqft of Space	(1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286
Child Care Space Demand	(2)	2	53	300	86	911	157	1,509
City's Policy Target: % of Demand		100%						
Cost of Child Care by Land Use (3)		\$24,635	\$647,654	\$3,700,938	\$1,062,325	\$11,222,604	\$1,935,011	\$18,593,167
Administrative Cost Factor (4)		\$1,232	\$32,383	\$185,047	\$53,116	\$561,130	\$96,751	\$929,658
Total Child Care Costs		\$25,867	\$680,037	\$3,885,985	\$1,115,442	\$11,783,734	\$2,031,761	\$19,522,825
Potential Maximum Linkage Fee Per Sqft of Space		\$1.23	\$0.69	\$0.79	\$1.23	\$1.23	\$0.92	\$1.05
Administrative Cost per Space		5.0%	\$0.03	\$0.04	\$0.06	\$0.06	\$0.05	\$0.05
Potential Maximum Fee per Sqft of Development		\$1.29	\$0.72	\$0.83	\$1.29	\$1.29	\$0.97	\$1.06

(1) Based on projections by SF Department of City Planning (July 2006).
 The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.
 (2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.
 (3) Assumes an average cost per space of \$12,325 (see Table 11).
 (4) Assumes an administrative cost factor of 5% of total costs for administration of child care fee fund.
 Sources: Brion & Associates.

8. Proposed Maximum Child Care Linkage Fee by Land Use

The total estimated maximum residential child care linkage fees by land use are calculated in **Table 14** based on the average cost per space calculated in **Table 10**. Total costs of new required child care for residential uses equal \$29.4 million, assuming an average cost per space of \$12,325 and a 5% administration cost. Most of these costs, about \$28.3 million, are estimated to be associated with multi-family development because the City is expected to add very few single family units. These proposed fee rates represent the maximum amount that the City could charge based on nexus. These maximum fee rates are comparable with child care fees in other locations as discussed in **Chapter II: Fee Comparisons**. Many of these fees have not been updated in a number of years and/or were adopted prior to the adoption of the Mitigation Fee Act. In summary, other cities' current child care fees range from:

- ◆ \$100 to \$1,736 for a single family residence;
- ◆ \$115 to \$1,624 for a multi-family residence; and
- ◆ \$0.01 to \$1.15 per square foot for non-residential uses.

The proposed San Francisco child care residential linkage fees are as follows:

- ◆ Single Family: \$2,272 per unit;
- ◆ Multi-Family 0 to 1 bedroom: \$1,493 per unit; and
- ◆ Multi-Family 2+ bedrooms: \$1,704 per unit.
- ◆ *Average: \$1,595 per residential unit or \$1.72 per square foot of residential development.*²⁰

Table 15 calculates the maximum proposed non-residential linkage fee per square foot for non-residential land uses. The maximum fees range from \$0.72 per square foot for hotel/motel uses to \$1.29 per square foot for office, medical, and civic, institutional, educational. The cost of providing child care to non-resident employees that work in the City is divided by the total amount of expected gross building space by land use category to derive the non-residential linkage fees. The proposed fee rates are:

- ◆ Civic, Institutional, Educational: \$1.29 per square foot of building space;
- ◆ Hotel/Motel: \$0.72 per square foot of building space;
- ◆ Industrial: \$0.83 per square foot of building space;
- ◆ Medical: \$1.29 per square foot of building space;
- ◆ Office: \$1.29 per square foot of building space; and
- ◆ Retail: \$0.97 per square foot of building space.
- ◆ *Average: \$1.06 per square foot of building space.*

²⁰ The residential development factor of \$1.72 per square foot is for comparison purposes and assumes the average residential unit to be 925 square feet.

The total projected revenues funded by non-residential uses would equal \$19.5 million over the 2006 to 2025 period, including 5% for administration. These maximum fees assume an estimated amount of new non-residential development that totals approximately 17.8 million new square feet of non-residential space over existing conditions, not including development approved at Mission Bay, Visitation Valley, and Rincon Hill (see **Appendix B: Table A**).

The amount of projected new development expected from 2006 to 2025 equals about 1.1 million square feet per year on average, of which about 605,000 square feet per year would be office space. These figures exclude non-residential space associated with Mission Bay, Rincon Hill and Visitation Valley as discussed elsewhere in the report. The City's Proposition M, which regulates office development in the City, allows for up to 875,000 square feet of office space per year. Even with the inclusion of the three project areas, the projected office development would total about 481,000 square feet per year, or within the Proposition M limit.

It should be noted that for those projects that choose to provide the child care space directly and not pay the linkage fee, the administrative fee would still need to be applied to cover the cost of the City's monitoring the project's mitigation.

It is important to understand that the methodology used to estimate child care demand and the maximum linkage fee requirement and fee rate is not dependent on the total overall amount of growth expected. With other types of impact fees, this may not be the case. For instance, if the City is trying to fund \$100 million worth of needed traffic improvements, the fee rate would be derived by dividing the total costs by the expected growth in trips, after making allocation assumptions to each land use. Thus, a fixed cost is allocated over a certain amount of growth to derive the fee rate. In this example, if the growth is less, the City would receive less money than needed or the fee rate would have to be increased to reflect lower growth.

With child care, we calculated the child care need per one new dwelling unit or per employee and applied an average cost per child care space to that demand to derive the maximum fee rates by land use. If actual growth is lower than analyzed in this report, the child care fee revenue generated will be less than estimated, but the child care fee rate would remain the same. The analysis does not presume some fixed amount of child care facilities that are needed independent of growth and then allocate those costs over the new growth as with other types of impact fees. The methodology presumes a bottom-up approach to derive child care costs or facility needs. Thus, if growth is less than analyzed herein, then child care demand would be commensurate with the amount of child care fee revenue collected.

It is important to note that the Department of Children, Youth, and Their Families proposes that each land use would pay the proposed fee rate listed in the **Tables 14 and 15**, unless the new development could not be categorized into one of these categories. In that situation, the average fee would apply respectively to residential or non-residential

uses. In total, it is assumed that the new child care fee will generate over \$46.6 million (plus administrative costs) to San Francisco over the next 19 years (through 2025) assuming development occurs as projected. If development is less than projected, the child care fee revenue collected will also be less, but demand for child care will be less as well.

9. Linkage Fee Implementation

This section discusses potential funding mechanisms the City of San Francisco could adopt to implement the Child Care Linkage Fee Program and other policy and implementation issues discussed in this report.

Proposed Funding Mechanisms for Fee Program

The expected development linkage fee revenue (i.e., \$48.9 million²¹) could be allocated to a variety of “funding mechanisms” the City could adopt to provide for new child care, which are discussed below. Should the child care fee be updated as proposed, the Board of Supervisors would set the priorities, choose the funding mechanisms, and the amounts allocated to each mechanism during the annual review of the fee program with input from the Department of Children, Youth, and Their Families. The City’s current Child Care Facilities Fund, which is administered by the Low Income Investment Fund, provides a variety of funding mechanisms and programs as outlined below. With the additional funding that would be generated by this fee update, the dollar amounts available for new child care would increase. These include, but are not limited to, the following:

1. **Direct City Funding** of new projects through joint development agreements with developers, non-profit providers/agencies, or City contributions towards private projects. This type of funding would include additional requirements concerning affordability and access to spaces. The City is not expected to build and own any child care facilities outright, except perhaps those developed through the Recreation and Park Department’s programs.
2. **Low-Interest Loans** to new or existing child care providers/facilities. There are a few options here. The first is a straight low-interest loan, with no special requirements. The second option includes a low interest loan with certain requirements or restrictions. For instance, there could be a payment waiver clause: if new spaces eligible to very low income children are created and maintained, then no loan payment would be required; however, if the provider eliminates the low income spaces, the loan repayment would become due. With low interest loans, the revenue would be used to create a revolving loan fund that would regenerate itself though the low interest charged on the loans.
3. **No-Interest Loans** with income/profit limits similar to those required to qualify for housing loan funds. These funds could be offered to existing child care providers at risk of going out of business because they are losing their space or to providers that will provide infant care, subsidized care, or spaces for children with special needs, assuming they expand their facilities.

²¹ This includes the administrative costs at 5% of total fee revenue through the year 2025.

4. **Grants with Matching Requirements** to new or existing child care providers. These funds would be available if the project provides infant care along with other age groups. To the extent that providers find additional monies or grants for expanding or creating new child care spaces, these spaces would count toward the City's existing need for spaces.

5. **Outright Grants** could be available to new or existing providers that provide spaces for children with special needs and/or new subsidized spaces. However, conditions and restrictions should be placed on the child care provider that receives outright grants to ensure that not only are new spaces being provided, but other goals of the City are being met also.

The amount of money allocated to each of these funding mechanisms would be in proportion to the amount of revenue needed to put each mechanism into operation. Revolving loan funds would generate interest and the revenue would be returned to the fund; thus, less revenue would be allocated to this option. Outright grants and the provision of new centers would be more costly, and more revenue should be allocated to these mechanisms. The ultimate allocation formula should be one that maximizes the provision of new spaces with the least cost to the overall program.

10. Use of Potential Child Care Linkage Fee Revenue

The \$48.9 million estimated to be generated by the Child Care Linkage Fee will accrue through 2025. In the first few years, the City will need to establish a priority list for the above funding mechanisms. Not all of the mechanisms will be created immediately. A special Child Care Linkage Fee Fund will need to be created so that the funds can be kept separately, and any interest earned on the fee revenue will become part of the fee fund. Up to 5% of the total fee amount collected from a project would be set aside for administration of the fee program.

Once a sufficient amount of fee revenue has been generated to construct a project, the City will need to determine how it will participate in the project. If development were to occur equally over the next 19 years, the City would receive about \$2.6 million per year in child care linkage fee revenue. In reality, real estate development varies year to year in business cycles, and the amount of fee revenue collected in any given year will vary. These are a few of the potential options available to the City:

1. The City currently contracts with the Low Income Investment Fund to manage the child care fee fund. The City could continue to work with the Low Income Investment Fund to manage and implement the program.
2. The City could partner with other child care agencies and non-profits for one of their child care projects.
3. The City could team with a local provider or developer that wants to build a new center and apply the revenue toward the project.
4. The City could issue a Request for Proposals to child care providers and developers that are interested in building a new center or expanding an existing center.
5. The City could develop a grant and low-interest loan program for providers in need of funding to create new child care facilities.

**Appendix A: Summary of Child Care Demand Factors
from Recent Child Care Studies**

Appendix A
 Table 1
 Summary of Child Care Demand Factors
 San Francisco Child Care Linkage Fee Nexus Study

#	Study Name and Location	Residential/Population Demand					Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years	Labor Force Participation Rates		
1	<i>Child Care Master Plan, City of Santa Monica, June 1991</i> . Prepared by Moore Iacofano Gollisman, Inc.	40%	64%	59%	59%	56% under 6 and 73% over 6	Study breaks down ages from 0-2 years, 3-4 years, and 5-14 years.	
2	<i>Child Care Linkage Program, City of Santa Monica, November 2005</i> . Prepared by Keyser Marston Associates, Inc.					Assumes 14% of employees have children who demand child care in the City.	Fee applies to non-residential uses only.	
3	<i>A New Assessment of Child Care Need for Children Age 5 and Under in Santa Clara County</i> , Sponsored by FIRST 5 Santa Clara County and prepared by International Child Resource Institute, September 2002.	29% Center-based care, 8% FCCH; 37% total	29% Center-based care, 8% FCCH; 37% total	na	na		na Study looks only at children ages 0 to 5 years old.	
4	<i>City of Alameda Child Care Needs</i> , February 2003 and County of Alameda <i>Meeting the Child Care Needs of Alameda County's Children</i> , February 2002, prepared by Berkeley Policy Associates. (2)	16%	33%	51%	51%	63% of families with children are considered "working" families where both parents or a single parent work.	The study employs a Conservative Demand Estimate and Broad Demand Estimate. Figures shown here are for the Conservative Demand Estimate which does not assume that every "working" family requires licensed care.	
5	<i>Who's Minding the Kids? Child Care Arrangements: Winter 2002</i> . Issued October 2005 by the U.S. Census Bureau based on the Survey of Income and Program Participation (SIPP).	24.2% in organized care; 6.2% FCCH. (3)	24.2% in organized care; 6.2% FCCH. (3)	5% in organized care; 5% in after-school enrichment programs.	5% in organized care; 5% in after-school enrichment programs.	Doesn't discuss LFPR.	na This study is based on data from the Survey of Income and Program Participation (SIPP) which is collected by the U.S. Census.	

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		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years	Labor Force Participation Rates		
6	<i>Methodology: Child Care Demand</i> , from Tompkins County, NY, www.daycarecouncil.org (3)	47%-69%	47%-69%	na	na	na	This study looks at children under age 6 who require care and summarizes results from four other studies which looked at demand.	
7	<i>Primary Child Care Arrangements of Employed Parents: Findings from the 1999 National Survey of America's Families</i> , 2002, The Urban Institute.	73%	73%	80%	80%	na	These percentages refer to the number of children receiving care, both licensed and unlicensed.	
8	<i>The Demand and Supply of Child Care in 1990</i> , Joint Findings of the National Child Care Survey 1990 and A Profile of Child Care Settings, 1991.	na	na	na	na	The report finds that 83% of children 0 to 5 years old have working parents, which is much higher than labor force participation rates we have found.	na	
9	<i>Linking Development and Child Care: A Toolkit for Developers and Local Governments</i> , 2005, Prepared for Local Investment in Child Care (LINCC) by Bay Area Economics. Mission Bay Project Only	29.9% for center-based care and FCCCH care	29.9% for center-based care and FCCCH care	na	na	Does not appear to use LFPRs.	This study also looks at employee demand, which most studies do not consider.	
10	<i>Survey of Parents/Guardians and Childcare Providers</i> , January 2006, Conducted for the City of San Jose and the San Jose Public Library, by Godbe Research.	28%	28%	na	na	This is a survey of actual use patterns and not an estimate of demand, therefore LFPRs are irrelevant.	Overall, 43% of respondents said that they used child care, but that included care provided by anyone who was not the parent/guardian.	

Appendix A
 Table 1
 Summary of Child Care Demand Factors
 San Francisco Child Care Linkage Fee Nexus Study

#	Study Name and Location	Residential/Population Demand				Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)					
		0-1 years	2-5 years	6-9 years	10-13 years		
	<i>Child Care and Housing Linkage Research Study</i> , June 2003, Prepared for the County of San Mateo Office of Housing in conjunction with the San Mateo Child Care Coordinating Council, by Brion & Associates with Vermazza Wolfe, Inc.	75%	100%	38%	25%	LFPRs vary by community area.	This study looks at a variety of policies and programs that can be implemented in order to increase the supply of child care at the same time new housing is developed.
1.1							
	<i>Kern County Child Care Policy Analysis and Strategy Study</i> , October 2005, prepared by Brion & Associates.	37%	50%	50%	25%	LFPRs vary by community area.	
1.2							
	<i>City of Palm Desert Child Care Facilities Impact Fee Nexus Study</i> , August 2005, prepared by Brion & Associates.	37%	80%	50%	25%	53% for children under the age of 6 years and 59% for children over 6 years old.	This study looks at both residential and employment demand, although a fee was only established for non-residential development, as requested by the City.
1.3							
	<i>City of South San Francisco Child Care Facilities Impact Fee Nexus Study</i> , September 2001, prepared by Brion & Associates.	100%	100%	100%	100%	na	Data was taken directly from the then current Needs Assessment, which assumed 100% of children with working parents needed licensed care. The city however targeted 50% of this figure because it felt that some parents desire and use unlicensed care.
1.4							
	<i>PROPOSED Alameda County Child Care In-Lieu Fee Study</i> , May 2007, prepared by Brion & Associates.	37%	75%	38%	38%	60% for children under the age of 6 years and 66% for children over 6 years old.	Study looks at unincorporated areas of Alameda County and calculates demand for both residential and non-residential uses.
1.5							

(1) Represents demand for licensed care of children with working parents; and not the percentage of total children unless otherwise stated.
 (2) The City of Alameda based their child care needs assessment on the study done for Alameda County in 2002; therefore their demand factors are the same.
 (3) Organized care includes day care center, nursery or preschool, or Head Start/school programs.
 Source: Compiled by Brion & Associates.

Appendix B: Child Care Model Background and Detailed Supporting Data

**Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study**

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs -2006-2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
	<i>a</i>			<i>b</i>		<i>c</i>			
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

(1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).

Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.

(2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.

(3)

Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates. The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.

(4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.

(5) The totals above are off by one job from the totals in Table 1 due to rounding.

(6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study

Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006-2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MBRH, VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528 (6)	2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	383,776	2,103,296	33,983,378	32,041,778
Industrial/PDR	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

LO	Loan #	Borrower	SPONSOR	Project Name	Project Costs	Costs Adjusted for Inflation per CPI for Region (1)	Square footage	Square footage cost	Inflation Adjusted Square Footage Cost	Total Child Care Spaces
BP	10288-14	San Francisco Women's Centers, Inc.	San Francisco Women's Centers, Inc.	SAN FRANCISCO WOMEN'S CENTER	\$333,457	\$398,070	1,485	\$225	\$268	23
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	THE FAMILY SCHOOL	\$213,568	\$247,654	2,600	\$82	\$95	23
BP	10299-14	Frandelja Enrichment Center	Frandelja Enrichment Center	FRANDELJA ENRICHMENT CENTER	\$716,104	\$842,452	6,700	\$107	\$126	40
DL	10300-14	1st Place 2 Start	Family Service Agency Of San Francisco	1ST PLACE 2 START	\$335,026	\$397,466	1,530	\$219	\$260	40
DL	10295-14	Wu Yee Children's Services	Wu Yee Children's Services	CHINATOWN EARLY HEAD START	\$1,382,290	\$1,659,536	6,700	\$206	\$248	40
DL	10296-14	Portola Family Connection Center, Inc.	Portola Family Connection Center, Inc.	PORTOLA FAMILY CONNECTION	\$1,396,280	\$1,642,636	7,500	\$186	\$219	63
DL	10311.02-14	Compass Community Services	Compass Community Services	TENDERLOIN CHILD CARE CENTER	\$3,855,900	\$4,450,496	11,277	\$342	\$395	63
BP	10310.02-14	Mission Neighborhood Centers, Inc	Mission Neighborhood Centers, Inc	ORLANDO CEPEDA PLACE CHILDREN'S CENTER	\$1,042,313	\$1,137,903	6,900	\$151	\$165	40
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	JEAN JACOBS CHILDCARE CENTER	\$1,018,859	\$1,124,240	6,700	\$152	\$168	40
BP	10298-14	899 Guerrero Street, Inc.	Catholic Charities Diocese Of San Diego	ST. JOSEPH'S VILLAGE	\$1,547,700	\$1,925,032	5,000	\$310	\$385	121
DL	10304-14	Visitacion Valley Community Center	Visitacion Valley Community Center	HERITAGE HOMES CHILDREN'S CENTER	\$634,323	\$698,468	3,414	\$186	\$205	44
DL	10303.02-14	Visitacion Valley Community Center	Visitacion Valley Community Center	JOHN KING CHILD AND FAMILY DEVELOPMENT CENTER	\$1,030,000	\$1,136,533	3,518	\$293	\$323	42
DL	10324.02-14	Cross Cultural Family Center	Cross Cultural Family Center	ONE CHURCH CHILD DEVELOPMENT CENTER	\$868,918	\$947,624	2,775	\$313	\$341	27
Totals, All Projects					\$14,374,738	\$16,608,111	66,099	\$213	\$246	606
Averages, All Projects					\$1,105,749	\$1,277,547	5,085	\$213	\$246	47

(1) For CPI factors see http://data.bls.gov/PDO/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA422SA0,CUUSA422SA0

Sources: Low Income Investment Fund - San Francisco; Brion & Associates.

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

L.O	Loan #	Borrower	Average Cost per Space in 2006 \$\$	Average Sqft per Child Care Space	Type of Child Care Slots	Loan closing dates	CPI Index (1)	Change in CPI to August 2006 (1)	% Change
BP	10288-14	San Francisco Women's Centers, Inc.	\$17,307	65	23 Preschoolers	2/1/2000	176.5	34.2	19.4%
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	\$10,768	113	23 Preschoolers	8/23/2000	181.7	29	16.0%
BP	10299-14	Frandelja Enrichment Center	\$21,061	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	5/25/2000	179.1	31.6	17.6%
DL	10300-14	1st Place 2 Start	\$9,937	38	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	3/28/2000	177.6	33.1	18.6%
DL	10295-14	Wu Yee Children's Services	\$41,488	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	1/13/2000	175.5	35.2	20.1%
DL	10296-14	Portola Family Connection Center, Inc.	\$26,074	119	18 Preschooler, 45 school age = 63	5/4/2000	179.1	31.6	17.6%
DL	10311.02-14	Compass Community Services	\$70,643	179	27 infant toddlers, 36 preschool = 63	9/28/2000	182.55	28.15	15.4%
BP	10310.02-14	Mission Neighborhood Centers, Inc	\$28,448	173	40 pre-school	4/19/2002	193	17.7	9.2%
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	\$28,106	168	40 pre-school	1/25/2002	190.95	19.75	10.3%
BP	10298-14	899 Guerrero Street, Inc.	\$15,909	41	21 infants, 28 toddlers, 48 preschool, 24 school age = 121 total	2/1/1999	169.4	41.3	24.4%
DL	10304-14	Visitation Valley Community Center	\$15,874	78	20 infants & toddlers, 24 Preschooler=44 total	9/3/2001	191.35	19.35	10.1%
DL	10303.02-14	Visitation Valley Community Center	\$27,060	84	18 infant toddlers, 24 preschoolers =42 total	1/7/2002	190.95	19.75	10.3%
DL	10324.02-14	Cross Cultural Family Center	\$35,097	103	27 infant toddlers	6/28/2002	193.2	17.5	9.1%
Totals, All Projects			na	na					
Averages, All Projects			\$27,406	109					

**Appendix B: Table C
Historical and Current Housing Unit Development in San Francisco by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study**

Year	All		MF		MF		MF		MF		Total Units	MF Units	SF Units	Sr/SRO Units	SF Units	MF Units	Total Units
	SF	2 unit	3-9 unit	10-19 unit	20+ unit	Total Units	Sr/SRO Units	SF Units	MF Units	Total Units							
<u>HISTORIC</u>																	
produced 2001	73	108	297	249	892	1,619	61	73	1,485	1,619	4%	5%	4%	5%	1,485	1,619	100%
produced 2002	59	134	358	230	1,479	2,260	=	59	2,140	2,260	=	3%	3%	3%	2,140	2,260	100%
produced 2003	67	104	176	152	2,231	2,730	=	62	2,601	2,730	=	2%	2%	2%	2,601	2,730	100%
produced 2004	55	84	91	120	1,430	1,780	=	65	1,660	1,780	=	4%	3%	4%	1,660	1,780	100%
	3%	5%	5%	7%	80%	100%											
<u>CURRENT</u>																	
authorized 2005	SF 82	2 unit 50	3-9 unit 32	10-19 unit 172	20+ unit 5,235	5,571											
produced 2005	46	38	117	38	1,633	1,872	=	235	46	1,591	1,872	=	13%	2%	85%	100%	
	2%	2%	6%	2%	87%	100%											
Average Produced 2001 to 2005	60	94	208	158	1,533	2,052	97	60	1,895	2,052							
<u>RECOMMENDED DISTRIBUTION FOR GROWTH 2006 TO 2025</u>																	
Average (past 4yrs) Recommended Housing Distribution	Sr/SRO 735	SF 490	MF 23,280	Total 24,505													
	5%	3%	92%	100%													
	3%	2%	95%	100%													

* Note: All numbers from San Francisco Planning Department: '01-04 numbers from Housing Inventory 2001-2004 published July 2005, and '05 numbers from Housing Inventory 2005 pending

Sources: San Francisco Planning Department; Brion & Associates.

Appendix B: Table D
San Francisco Growth Forecast by Age, 0 to 13 and Total Population (1)
Department of Finance P-3 Reports
San Francisco Child Care Linkage Fee Nexus Study

Age	2000 Total	Children as % of Pop.	2006 Total	Children as % of Pop.	2010 Total	Children as % of Pop.	2015 Total	Children as % of Pop.	2020 Total	Children as % of Pop.	2025 Total	Children as % of Pop.	Averages 2010-2025
0	7,224	0.9%	9,287	1.2%	8,929	1.1%	6,273	0.8%	4,830	0.6%	4,773	0.6%	0.6%
1	6,398	0.8%	8,872	1.1%	9,281	1.1%	6,868	0.8%	4,892	0.6%	4,737	0.6%	0.6%
2	5,927	0.8%	8,372	1.0%	9,408	1.2%	7,454	0.9%	4,974	0.6%	4,698	0.6%	0.6%
3	5,993	0.8%	8,026	1.0%	9,334	1.1%	7,953	1.0%	5,190	0.6%	4,671	0.6%	0.6%
4	5,844	0.7%	8,013	1.0%	9,067	1.1%	8,354	1.0%	5,577	0.7%	4,666	0.6%	0.6%
5	5,963	0.8%	8,393	1.0%	8,638	1.1%	8,714	1.1%	6,065	0.7%	4,691	0.6%	0.6%
6	5,974	0.8%	7,181	0.9%	8,132	1.0%	9,055	1.1%	6,647	0.8%	4,746	0.6%	0.6%
7	5,970	0.8%	6,327	0.8%	7,778	1.0%	9,175	1.1%	7,226	0.9%	4,825	0.6%	0.6%
8	6,127	0.8%	5,842	0.7%	7,748	0.9%	9,095	1.1%	7,717	0.9%	5,040	0.6%	0.6%
9	6,087	0.8%	5,905	0.7%	8,111	1.0%	8,816	1.1%	8,104	1.0%	5,425	0.7%	0.7%
10	6,220	0.8%	5,754	0.7%	6,898	0.8%	8,393	1.0%	8,469	1.0%	5,920	0.7%	0.7%
11	6,116	0.8%	5,920	0.7%	6,074	0.7%	7,907	1.0%	8,829	1.1%	6,518	0.8%	0.8%
12	6,066	0.8%	6,015	0.8%	5,650	0.7%	7,595	0.9%	8,991	1.1%	7,126	0.9%	0.9%
13	5,897	0.8%	6,048	0.8%	5,785	0.7%	7,617	0.9%	8,961	1.1%	7,653	0.9%	0.9%
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	9.3%
0-1	13,622	1.7%	18,159	2.3%	18,210	2.2%	13,141	1.6%	9,722	1.2%	9,510	1.2%	1.5%
2-5	23,727	3.0%	32,804	4.1%	36,447	4.5%	32,475	3.9%	21,806	2.7%	18,726	2.3%	3.3%
6-13	48,457	6.2%	48,992	6.1%	56,176	6.9%	67,653	8.2%	64,944	7.9%	47,253	5.8%	7.2%
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	12.1%
Total Population	781,174	100.0%	800,244	100.0%	816,230	100.0%	825,614	100.0%	820,545	100%	810,595	100%	100%

(1) The actual numbers of children and total population from DOF is not used in the analysis but rather the relationships between children and total population.

The percentages calculated above are applied to the City Planning Department's forecast of population growth.

Sources: California Department of Finance; Brion & Associates.

**Appendix B: Table E
 Cost of Family Child Care Home Expansions Funded with Existing Child Care Fee Grants
 San Francisco Child Care Linkage Fee Nexus Study**

<i>Project & Year</i>	<i>Project Budget</i>	<i>Grant/Loan Amount</i>	<i>Slots Created</i>	<i>Slots Enhanced</i>	<i>Slots Preserved</i>	<i>Total Slots</i>	<i>Cost per Space</i>	<i>Notes</i>
FY 04								
#04-1	\$4,434	\$3,500	5		7	12	\$887	Purchase of sprinkler heads for Large FCC Fire Regulations
#04-2	\$27,500	\$12,500	6	8		14	\$4,583	Permits and Sprinkler System for Expansion- includes \$15,000 below for Fire Clearance
FY06 Subtotal	\$31,934	\$16,000	11	8	7	26	\$2,903	
FY 05								
#05-1	\$15,159	\$4,500	6	7		13	\$2,527	Purchase of equipment to meet the needs of larger group of children following expansion.
#05-2	\$20,000	\$6,000	6	6		12	\$3,333	Creation of a second exit to obtain fire clearance for expansion
#04-2*R		\$4,500	R	R		R		Replacement of electric garage door with manually operated door in order to receive fire clearance for expansion
FY05 Subtotal	\$35,159	\$15,000	12	13	0	25	\$2,930	
FY 06								
#06-1	\$15,082	\$15,000	5		7	12	\$3,016	To buy equipment and renovate first floor to meet Licensing and Fire Department requirements for expansion
FY06 Subtotal	\$15,082	\$15,000	5	0	7	12	\$3,016	
	\$82,175	\$46,000	28	21	14	63	2,935	
	\$20,544							

*R = Repeated - provider received a previous grant, slots not counted to avoid duplicates

Sources: Local Income Investment Fund, Child Care Capital Facilities Fund; Brion & Associates.

Appendix B: Table F

Number of Children and Total Population for Mission Bay, Rincon Hill and Visitation Valley for 2006 and 2006 to 2025

San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Total Population All Ages	Population by Age (1)			
		0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)	Total 0-13
<u>Children as of 2006 (only MB, RH, VV)</u>					
Children as % of Population by Age Group (1)		2.3%	4.1%	6.1%	12.5%
Total Population at 2006 (2)	16,448	373	674	1,007	2,054
Total Estimated Employed Residents in City	41% 6,819 (3)				
SF Employed Residents Working					
Outside SF (5)	23% 1,573				
Those Needing Child Care Outside SF (5)	5% 199 (4)	99	99		
Net Residents	16,249				
Estimated Children at 2006 (5)		274	575	1,007	1,856
<u>New Children 2006-2025 (only MB, RH, VV)</u>					
Children as % of Population by Age Group (6)		1.5%	3.3%	7.2%	12.1%
Net New Population	9,763				
Senior and SRO Population	195				
Net Population with Children	9,568				
Estimated Children of New Residents		148	320	689	1,157
New Employed Residents (7)	50% 4,767				
New Employed Residents Working Outside SF	23% 1,100				
Those Needing Child Care Outside SF (5)	5% 55	27	27		55
Net New Residents Possibly Needing Care	9,513				
Net New Children 2006 to 2025		120	292	689	1,102
<u>Total Children at 2025 (only MB, RH, VV)</u> (8)					
Total Population	26,211				
Senior and SRO Population	786				
Net Population with Children	25,425				
Children as Percent of Total Population at 2025		1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents		298	587	1,482	2,368
New Employed Residents	50% 12,667				
New Employed Residents Working Outside SF	23% 2,922				
Those Needing Child Care Outside SF (5)	5% 146	73	73		146
Total Residents Possibly Needing Care	25,279				
Total Children 2025		225	514	1,482	2,222

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).

(2) For Mission Bay, Rincon Hill and Visitation Valley areas only.

(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.

(4) Based on non-resident employee demand for child care in SF. See Table 6.

(5) Based on Journey to Work data - see Table 5 and Table 6.

(6) Based on total population as estimated times the average percentage of children per age group from above.

(7) Based on forecasts of Employed Residents at 2025 by ABAG.

(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.

Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Appendix B: Table G
Future Demand for Child Care for Mission Bay, Rincon Hill, and Visitation Valley: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Future Growth - 2006 to 2025	New Child Care Demand by Age					Total. 0 to 13 Years Old
	New Population with Children - 2006 to 2025	Population & Employment	% Distribution or Infant	Birth to 24 Mos.	2 to 5 or Preschool	
Future Child Care Need	(1) 9,513 (see Table 3)					
Resident Children Potentially Needing Care	(2) (see Table 3)	120	292	689	1,102	
Average Labor Force Participation Rates	(3)	57.6%	57.6%	63.2%	674	
Children With Working Parents	(4)	69	168	436	72%	
% Children Needing Licensed Care		37%	100%	66%	289	483
Children Needing Licensed Care		26	168	289	44%	
Percent of Children by Age Needing Care		21%	58%	42%		
Non-Resident Employee's Children Needing Care	(5)	205	616		822	
<i>Distributed by Land Use Category</i>						
Civic, Institutional, Education		4,353	26%	54	163	218
Hotel-Motel		-	0%	-	-	-
Industrial/PDR		6	0%	0	0	0
Medical		10,460	64%	131	392	523
Office		1,286	8%	16	48	64
Retail		335	2%	4	13	17
Total Future Employee Demand for Child Care		16,440	100%	205	616	822
Total New Demand for Child Care Spaces				231	785	1,305
Percent Distribution				18%	60%	100%

(1) Represents population associated with Mission Bay, Rincon Hill and Visitation Valley.
(2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
(3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
(4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care.
Percentages are based on a detailed review of 12 other child care studies, including impact fee studies.
Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF.
School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
(5) Includes demand from employees that work in these three areas but live elsewhere. This analysis assumes one child per employee that needs care at the rate of:
25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Appendix C: Land Use Data and Growth Forecasts

APPENDIX C-1
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Citywide Forecast

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	<u>350</u>	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-2
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Mission Bay Area Only

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-3
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Rincon Hill Area Only

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	2,835	1.89	1,500 *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	350	33,346 *
<i>Subtotal</i>	17,811	242	4,313,604 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	4,810	1.55	3,100 *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	1,172	240	281,610 *

III. Total at 2025 [5]

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	7,645	1.66	4,600 *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	18,983	242	4,595,214 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-4
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Visitation Valley Area Only

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	<u>2,875</u>	<u>3.80</u>	<u>757</u> *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100</i> *
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	<u>636</u>	<u>350</u>	<u>222,679</u> *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355</i> *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	<u>658</u>	<u>4.80</u>	<u>137</u> *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276</i> *
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	<u>58</u>	<u>350</u>	<u>20,199</u> *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321</i> *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	<u>3,534</u>	<u>3.95</u>	<u>894</u> *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376</i> *
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	<u>694</u>	<u>350</u>	<u>242,878</u> *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-5
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Total Forecast without Mission Bay, Rincon Hill and Visitation Valley Areas

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.09</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of	Residents Per Unit/	Number of
	Residents/Employees	Sqft per Employee	Units/Non-Res SF
Single Family	1,671	3.500	477 *
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of	Residents Per Unit/	Number of
	Residents/Employees	Sqft per Employee	Units/Non-Res SF
Single Family	286,921	3.10	92,563 *
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Appendix E:
Citywide Growth Forecast

CITY-WIDE DEVELOPMENT IMPACT FEE STUDY GROWTH FORECAST

PREPARED FOR THE
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA

JANUARY 7, 2008

CONSULTING SERVICES PROVIDED BY:

FCS GROUP

225 Bush Street, Suite 1825
San Francisco, California 94104
T: 415.445.8947 F: 415.398.1601
www.fcsgroup.com

The purpose of this report is to describe and document employment and population forecasts developed for the City-wide Development Impact Fee Study. Brion & Associates, working with other team members, the City Controller's Office, and the Planning Department prepared this forecast specifically for the City-wide Fee Study. The growth forecasts represent a moderate growth scenario that considers both historical growth in the City and future growth as forecast by an independent economic firm, Moody's Economy.com.

This report describes the moderate growth scenario used in each of the fee nexus studies, explains its major assumptions and sources of data, and provides the rationale for its use. The growth forecasts for employment, households, and population are derived from an employment forecast by Moody's Economy.com.

Employment Growth

Moody's Economy.com forecasts the City's employment base will grow at an average annual rate of 0.77% per year from 2006 to 2025. **Exhibit 1** summarizes this forecast, broken down by industries that use office, retail, warehouse, high tech space, and other space. This forecast is also broken down by total jobs. Historic employment growth figures are also shown from 1980 to 2005 in five year increments.

Historical growth from Moody's compares to the data provided by the San Francisco Controller's Office, which is from the California Economic Development Department. On an annual basis, from 1995 to 2005, there is less than a one percent difference in the two employment counts for any given year.

As shown in **Exhibit 1**, the City has a total of about 533,220 jobs as of 2006, which compares nicely to the City Planning Department's estimate of about 536,224 jobs for 2006. For this analysis, we are using the City's land use database by Traffic Analysis Zone and Neighborhood to estimate 2006 data for this new forecast.¹ Approximately 57% of the Moody's forecast is comprised of office related jobs, 22% retail and 15% high tech. Very little growth is forecast in warehouse related jobs (less than one percent), and the remaining 6% is "other" jobs.

As shown in **Exhibit 2**, the forecast applies the 0.77% average annual growth rate to existing 2006 employment for an estimated total of 620,031 total jobs at 2025 or a net increase of 83,807 new jobs over the 19-year period.

For job growth in the three special planning areas, the analysis assumes that employment uses in Mission Bay, Rincon Hill and Visitation Valley will reach build-out by 2025. Visitation Valley and Rincon Hill do not have a significant amount of planned new employment growth over the existing base. In contrast, Mission Bay includes a large amount of new non-residential development potential and is poised nicely to capture a significant amount of future employment growth in the City.

¹ The City's estimate of 2006 development is based on the Planning Department's Land Use Allocation Study – 2002, and extrapolates 2006 figures based on the average annual growth expected from 2000 to 2025.

Population Growth

The analysis considers population growth in relation to employment growth, given that population growth requires some job growth and *vice versa*. For the population forecast we have reviewed the relationship between jobs and population from the new *ABAG 2007 Projections*, which forecast approximately 2.0 jobs per each new resident between 2006 and 2025. However, population growth in San Francisco is not solely driven by employment growth. Thus, the analysis uses a jobs-per-population factor of 1.5, which presumes that some portion of population growth will not be employment-dependent. To estimate expected population growth dependant on new jobs, we have divided by 1.5 for an estimated increase in population of about 55,871 residents. This forecast of population is 62% of ABAG's new 2007 projection for population growth through 2025.

Growth in Housing Stock

For housing units, the new population forecast is divided by persons per household factors from Department of City Planning, which vary by project area and the city as a whole. Based on this approach, the City would add about 24,505 new housing units or about 1,290 units per year on average. Historical dwelling unit growth averaged about 2,052 units per year from 2001 to 2005. Thus, our forecast would be about 63% of that recent average annual growth rate in units and reflects the recent slow down in the residential market.

For the three project areas that will be exempt from the new impact fees, the analysis does not assume all of the residential uses will be developed in Mission Bay and Visitation Valley. Based on discussions with Planning Staff we have developed the following assumptions:

- ◆ Mission Bay: 100% employment uses and about 65% of residential uses achieve build-out by 2025.
- ◆ Rincon Hill: 100% of both employment and residential uses achieve build-out by 2025.
- ◆ Visitation Valley: 100% of employment and 90% of residential uses achieve build-out by 2025.

Growth of Non-Residential Space

Exhibit 3 summarizes the employment forecast by land use category, area and year, and then converts it into square feet of space by land use category. Shown first are 2006 estimates of existing jobs by land use category with and without Mission Bay, Rincon Hill and Visitation Valley. Net new jobs through 2025 are also shown by land use category. These jobs are converted into estimates of building space based on average square feet per employee assumptions in the second half of the table.

The net new building square feet is used to calculate the non-residential impact fee. As shown, the City is expected to add about 1.1 million square feet of space per year on average over the forecast period for a total of 21.6 million square feet of total non-residential space. Of this amount, office space is expected to total about 11.5 million square feet. Proposition M which controls and regulates how much office space can be developed per year in the City limits office space per year to 875,000 square feet per year.² Our average annual expected office growth would equal about 605,000 square feet per year or less than the Proposition M

² Per Sarah Dennis, San Francisco Planning Department, correspondence dated March 9, 2007.

limit. The three project areas of Mission Bay, Rincon Hill and Visitation Valley would add about 3.8 million square feet of this growth in space and this space would be exempt from the impact fees.

Comparison of the Moderate Growth Scenario to Other Growth Forecasts

Exhibit 4 presents the comparison of all the forecasts reviewed to date for this effort. These include:

- ◆ ABAG 2005 Projections
- ◆ ABAG 2007 Projections
- ◆ Planning Department's Land Use Study Forecast, 2000 to 2035
- ◆ Historical Forecast, based on Controller's Office data on historical growth in the City
- ◆ Moody's Forecast

As shown, the Moody's forecast jobs per population factor is less than ABAG's forecast but higher than the Historical forecast, and much lower than the Planning Department's forecast. This table also estimates the average annual growth rates implied in each forecast by demographic category.

Exhibit 5 presents a summary of historical growth from the California Department of Finance and Moody's employment data for the City and compares it to the future forecast proposed for the fee studies. Jobs per resident or population are shown by five year intervals, and for 2006 and 2025. As shown, the job per resident factors implied in the forecast and planning data are similar to historical figures for the City. The data for 2005 and 2006 are lower than other years, due to the impacts of the dot.com crash, where the City lost a significant amount of jobs relative to population.

Development by Land Use by Year and Area

Exhibits 6-10 present the forecast for the entire City, each of the three special planning areas (Mission Bay, Rincon Hill and Visitation Valley) and the entire city net of the three planning areas. In each table residential and non-residential development, and population, housing units and employment is shown by year. The analysis is presented for 2006, 2006 to 2025, and total at 2025.

Exhibit 1
Historical and Projected Employment
for San Francisco: 1980 to 2025
from Moody's Economy.com
San Francisco Citywide Development
Impact Fee Study

Employment Category	Historical Employment					Projected Employment					Net Change				
	1980	1985	1990	1995	2000	2005	2006	2010	2015	2020	2025	1980-2005 Amount/P ercent	2006-2025 Amount/Pe rcent	2006-2025 Avg. Annual % Growth	1980-2025 Avg. Annual % Growth
Office Employment	224.53	227.59	226.09	208.90	253.36	189.44	191.18	201.68	214.29	226.22	238.96	-35.08	-0.68%	47.78	1.18%
Net Growth	3.07	-1.51	-17.18	-7.6%	44.46	-63.92	1.73	10.50	12.61	11.93	12.74	-15.6%	-15.6%	25.0%	
% Growth	1.4%	-0.7%	-7.6%	-21.3%	21.3%	-25.2%	0.9%	5.5%	6.3%	5.6%	5.6%	-15.6%	-15.6%	25.0%	
Retail Employment	94.13	95.97	99.70	95.71	118.36	106.22	107.88	111.68	115.40	121.00	126.61	12.09	0.48%	18.73	0.85%
Net Growth	1.84	3.73	-3.99	-3.99	22.65	-12.14	1.66	3.80	3.72	5.60	5.61	12.8%	12.8%	17.4%	
% Growth	2.0%	3.9%	-4.0%	-4.0%	23.7%	-10.3%	1.6%	3.5%	3.3%	4.8%	4.6%	12.8%	12.8%	17.4%	
Warehouse Employment	40.44	35.53	31.24	23.13	22.90	19.99	20.42	20.82	20.90	20.82	20.45	-20.45	-2.78%	0.03	0.01%
Net Growth	-4.90	-4.30	-8.11	-8.11	-0.23	-2.91	0.43	0.40	0.08	-0.08	-0.37	-50.6%	-50.6%	0.2%	
% Growth	-12.1%	-12.1%	-26.0%	-26.0%	-1.0%	-12.7%	2.2%	2.0%	0.4%	-0.4%	-1.8%	-50.6%	-50.6%	0.2%	
High Tech Employment	21.69	22.33	19.32	20.21	41.48	22.34	22.39	25.07	28.59	31.68	34.53	0.65	0.12%	12.14	2.31%
Net Growth	0.64	-3.01	0.89	0.89	21.27	-19.14	0.05	2.68	3.52	3.09	2.86	3.0%	3.0%	54.2%	
% Growth	3.0%	-13.5%	4.6%	4.6%	105.3%	-46.1%	0.2%	12.0%	14.0%	10.8%	9.0%	3.0%	3.0%	54.2%	
Other Employment	189.57	184.06	191.08	180.78	170.92	188.11	191.36	195.91	195.43	196.37	196.01	-1.46	-0.03%	4.65	0.13%
Net Growth	-5.51	7.02	-10.30	-9.86	17.19	17.19	3.25	4.55	-0.47	0.94	-0.36	-0.8%	-0.8%	2.4%	
% Growth	-2.9%	3.8%	-5.4%	-5.4%	10.1%	10.1%	1.7%	2.4%	-0.2%	0.5%	-0.2%	-0.8%	-0.8%	2.4%	
Total Employment (1)	570.36	565.49	567.41	528.72	607.02	526.10	533.22	555.16	574.62	596.09	616.56	-44.26	-0.32%	83.34	0.77%
Net Growth	-4.87	1.93	-38.69	-38.69	78.30	-80.92	7.12	21.93	19.46	21.47	20.48	-44.26	-44.26	83.34	0.77%
% Growth	-0.9%	0.3%	-6.8%	-6.8%	14.8%	-15.3%	1.4%	4.1%	3.5%	3.7%	3.4%	-44.26	-44.26	83.34	0.77%

(1) Includes total payroll employment, including non-BLS sectors.
From Moody's Economy.com for the City and County of San Francisco.

Sources: Moody's Economy.com; Brion & Associates.

Exhibit 2
Projected Growth in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item	Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
		Amount (3)	Avg. Annual Growth Rate			
Total Population (1)	777,121	55,871	0.00%		832,992	na
Visitation Valley	11,501	1,242	-99.94%		12,743	90%
Mission Bay	2,112	3,711	5.48%		5,823	65%
Rincon Hill	<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal	16,448	9,763			26,211	
Total w/out MB/RH/V (2)	760,673	46,108	-0.02%		806,781	na
Total Housing Units (1)	341,052	24,505	0.52%	2.28	365,557	na
Visitation Valley	3,100	276	0.88%	4.80	3,376	91%
Mission Bay	1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill	<u>1,500</u>	<u>3,100</u>	-99.94%	1.55	<u>4,600</u>	100%
Subtotal	5,800	5,359			11,159	
Total w/out MB/RH/V (2)	335,252	19,146	0.51%	2.09	354,399	na
Total Employment (1)	536,224	83,807	0.00%		620,031	na
Visitation Valley	1,268	149	0.46%		1,417	100%
Mission Bay	8,901	15,118	0.74%		24,020	100%
Rincon Hill	<u>17,811</u>	<u>1,172</u>	0.38%		<u>18,983</u>	100%
Subtotal	27,981	16,440			44,420	
Total w/out MB/RH/V (2)	508,243	67,367	-0.03%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by

Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

**Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study**

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs - 2006-2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
	<i>a</i>	<i>b</i>	<i>c</i>						
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

(1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).

Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.

(2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.

(3)

Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates. The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.

(4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.

(5) The totals above are off by one job from the totals in Exhibit 1 due to rounding.

(6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study

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Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006-2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MB, RH, VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528 (6)	2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	385,776	2,103,296	33,983,378	32,041,778
Industrial/PDR	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Exhibit 4
Comparison of Four Growth Projections
in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Total At Buildout 2025	Average Annual Growth Rate
			Amount	% Change		
Population						
ABAG 2005	(1)	800,540	89,860	11.2%	890,400	0.56%
ABAG 2007	(2)	798,380	90,020	11.3%	888,400	0.56%
City Planning	(3)	777,221	57,327	7.4%	834,448	0.37%
Historical	(4)	777,221	57,327	7.4%	834,448	0.37%
Moody's	(5)	777,221	55,871	7.2%	832,992	0.37%
Households						
ABAG 2005	(1)	340,126	43,524	12.8%	383,650	0.64%
ABAG 2007	(2)	340,802	36,248	10.6%	377,050	0.53%
City Planning	(3)	341,052	25,159	7.4%	366,211	0.38%
Historical	(4)	341,052	25,159	7.4%	366,211	0.38%
Moody's	(5)	341,052	24,505	7.2%	365,557	0.37%
Employment (1)						
ABAG 2005	(1)	585,450	190,650	32.6%	776,100	1.49%
ABAG 2007	(2)	553,090	179,930	32.5%	733,020	1.49%
City Planning	(3)	536,225	224,712	41.9%	760,937	1.86%
Historical	(4)	525,466	20,310	3.9%	545,776	0.20%
Moody's	(5)	536,224	83,807	15.6%	620,031	0.77%
Jobs per Population						
ABAG 2005		0.73	2.12	290.1%	0.87	0.93%
ABAG 2007		0.69	2.00	288.5%	0.83	0.92%
City Planning		0.69	3.92	568.2%	0.91	1.48%
Historical		0.68	0.35	52.4%	0.65	-0.17%
Moody's		0.69	1.50	217.4%	0.74	0.40%

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

Note: City estimate of households is actually housing units and ABAG is households. The difference could be related to vacancies

(1) Based on ABAG Projections 2005.

(2) Based on the recently released ABAG Projections 2007.

(3) City data and projections are from SF Planning Department as provided by David Taussig & Associates, Inc. (July 2006).

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

(4) Based on historical average annual growth rate for employment of .2% and applied to existing employment; population and housing is the same as for Planning forecast.

(5) Based on employment forecast for 2006 to 2025 by Moody's Economy.com.

Population and households estimates are based on historical housing growth, and comparison of population to employment by Brion & Associates.

Sources: ABAG; San Francisco Planning Department; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 5**Historical Population Growth for San Francisco: 1990 to 2005
San Francisco Citywide Development Impact Fee Study**

	Historical Population & Employment (1)				Moderate Forecast (2)	
	1990	1995	2000	2005	2006	2025
Total Population	723,959	751,899	779,124	792,952	777,121	832,992
Net Growth		27,940	27,225	13,828	(15,831)	40,040
% Growth		3.9%	3.6%	1.8%	-2.0%	5.2%
Total Employment	567,415	528,721	607,023	526,101	536,224	620,031
Net Growth		(38,694)	78,303	(80,923)	10,123	93,930
% Growth		-7%	15%	-13%	1.9%	17.5%
Jobs per Resident	0.78	0.70	0.78	0.66	0.69	0.74
Net Growth		(0.08)	0.08	(0.12)	0.03	0.08
% Growth		-10%	11%	-15%	4.0%	11.7%

(1) Population is from the Department of Finance E-5 Report

Note that DOF's estimate of population is higher than the City's estimate for 2000 and 2005.

Planning data for population at 2000 is 756,967.

Employment is from Moody's Economy.com data for San Francisco.

(2) Employment forecast is from Moody's Economy.com; population forecast is based on

adjustments to the Planning Department's forecast based on Moody's employment forecast, as prepared by Brion & Associates.

Sources: California Department of Finance E-5 Summary Report; Moody's Economy.com; Brion & Associates.

Exhibit 6
Projections Citywide by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	350	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future Multi-Family units are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 7

**Projections Mission Bay by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
	2006	2006	2006
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *
II. Future Data (2)			
	2006-2025	2006-2025	2006-2025
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *
III. Total at 2025			
	2025	2025	2025
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 8

**Projections Rincon Hill by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	<i>2,835</i>	<i>1.89</i>	<i>1,500</i> *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	350	33,346 *
<i>Subtotal</i>	<i>17,811</i>	<i>242</i>	<i>4,313,604</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	<i>4,810</i>	<i>1.55</i>	<i>3,100</i> *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	<i>1,172</i>	<i>240</i>	<i>281,610</i> *
III. Total at 2025 [5]			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	<i>7,645</i>	<i>1.66</i>	<i>4,600</i> *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	<i>18,983</i>	<i>242</i>	<i>4,595,214</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 9**Projections Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	<u>2,875</u>	<u>3.80</u>	<u>757</u> *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100</i> *
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	<u>636</u>	<u>350</u>	<u>222,679</u> *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	<u>658</u>	<u>4.80</u>	<u>137</u> *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276</i> *
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	<u>58</u>	<u>350</u>	<u>20,199</u> *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321</i> *
III. Total at 2025			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	<u>3,534</u>	<u>3.95</u>	<u>894</u> *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376</i> *
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	<u>694</u>	<u>350</u>	<u>242,878</u> *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 10

**Projections Citywide without Mission Bay, Rincon Hill, & Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.09</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,671	3.500	477 *
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	286,921	3.10	92,563 *
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

10.5 City of Santa Monica Child Care Linkage Program Report (2005)

Report

**Child Care Linkage
Program**

Prepared for:
City of Santa Monica

Prepared by:
Keyser Marston Associates, Inc.

November 2005

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EXECUTIVE SUMMARY

The City of Santa Monica directed Keyser Marston Associates, Inc. (KMA) to prepare an analysis of the impacts of new development on child care needs in the City of Santa Monica. The purpose of the analysis and report is to demonstrate and quantify the nexus between new development and child care demand as a basis for charging a child care impact fee on new development in Santa Monica, should the City wish to adopt a child care mitigation program. The City contracted for the report in June 2002 and the report was largely prepared in 2003 with portions updated in 2005; KMA believes that none of the earlier information has changed in a manner that would in any way undermine the conclusions of the analysis.

The objectives of the study were therefore as follows: (1) to assemble data and determine whether development of new commercial and residential space impacts demand for child care, (2) to quantify the demand related to newly constructed space, (3) to quantify the costs of mitigating the demand, or the costs to increase the supply of child care facilities in Santa Monica, and (4) to provide information to assist the City in selecting an appropriate fee level.

The analysis concludes that construction of commercial space or "Workplace Buildings" (office, retail and hotel, etc.) does increase the need for child care in the city and that new residential construction does not. The main body of this report, therefore, addresses development of commercial space and child care demand, mitigation costs, and fee setting issues. The analysis for residential development and child care demand is provided in an appendix section in addition to other supporting material.

Following are the key findings of the analysis.

Nexus Analysis for Workplace Buildings

- The linkages between the construction of workplace buildings in Santa Monica, the employees who work in them and the demand for care of children while the employees are at work, have been demonstrated and quantified in the analysis.
- A widely accepted interpretation of the California Governmental Code is that linkage fees may be used to address capital facilities only, not operational or programmatic costs. As a result, the linkage analysis quantifies the demand for spaces in child care center facilities and the cost of developing new child care center spaces.
- Child care centers at or near the workplace meet the child care needs of workers for infants, toddlers and preschool age children. Thus, the workplace analysis addresses these age groups only.

- An analytical approach is to examine a group or "universe" of 1,000 employees. The demand for child care from a universe of 1,000 employees finds that there are 140.21 children of infant, toddler and preschool age. The demand for child care spaces near the place of work is 35.68 spaces per 1,000 employees.
- A survey was conducted of the cost of West Los Angeles area recently developed and planned child care centers. A cost analysis for a prototypical child care center in Santa Monica was also prepared. The conclusion from the two approaches is that the cost of developing a child care center in Santa Monica is at least \$35,000 per space on average in 2003. An update evaluation places the cost of each child care center space in Santa Monica at \$18,500, excluding land and \$55,400 including land.

When employees are converted to workplace building area using standard density averages, the demand for child care space associated with each square foot of workspace building area can be quantified. In addition, the cost of mitigation through development of child care facility space is also quantified using the updated 2005 costs as follows:

Child Care Center Cost per Sq. Ft. Building Area	Density	Excluding	Including
		Land	Land
Office	250 sq. ft./Employee	\$2.64	\$7.91
Retail/Entertainment	350 sq. ft./Employee	\$1.89	\$5.65
Hotel/Lodging	500 sq. ft./Employee	\$1.32	\$3.95

Total child care linkage costs are provided with and without land in recognition that some child care centers may be developed on land either donated or already owned by the City. To reflect the mix, an average linkage cost for the two assumptions is recommended for establishing the maximum ceiling. Results are as follows:

Office.....\$5.27 per sq. ft.
 Retail/Entertainment.....\$3.77 per sq. ft.
 Hotel/Lodging.....\$2.64 per sq. ft.

These are the total child care nexus or linkage costs and represent the ceiling below which the City may set fee levels. Keyser Marston Associates does not recommend that these figures be used for actual fee levels but recommends that the City use these numbers for guidance in considering fee levels.

Additional Information to Assist in Designing a Fee Program

The following information is provided to assist policy makers.

- The total cost of development of commercial space in Santa Monica might be taken into account in considering fee levels. The cost (in 2003) to develop retail, office, and hotel space in Santa Monica was at least \$300 to \$400 per square foot, due to high land costs, high density building configurations and parking requirements. The fee amounts likely to be under consideration for child care will have very little impact on total development cost and decisions about whether to proceed with projects in Santa Monica.
- A survey of other jurisdictions with child care impact fees has identified 16 cities or counties with programs. Most of these jurisdictions are in Northern California, most were adopted 10 or more years ago, and a few fund operating expenses as well as new child care centers. The highest fee in California is \$1.15 per square foot of commercial area recently adopted in the City of Palm Desert. Fees of \$1.00 per square foot have been adopted in San Francisco, Berkeley, and the City of San Mateo. Seattle has a downtown bonus program that entails a higher amount, roughly \$2 per square foot averaged over the total building area.
- Fee collection projections have been estimated for informational purposes. If Santa Monica commercial construction continues at the rate of 100,000 to 150,000 square feet of per year, a fee in the \$2.50 to \$3.50 range would generate approximately \$250,000 to \$450,000 per year. This revenue would be sufficient to build about 10 new child care center spaces per year, or a new 75 space child care center once every seven or eight years. (This estimate does not take into account any potential exemption for small projects.)
- Over the past 15 years, Santa Monica has included child care requirements in Development Agreements for six large scale projects. The Development Agreements were the result of project specific negotiations and do not reflect a child care mitigation program. The analysis and findings contained in this analysis could be used to apply more consistent mitigation requirements for large projects in the future.

Nexus Analysis for Residential Units

An analysis was conducted for residential units similar to the analysis for workplace building space. However, a child care linkage fee on residential construction is not recommended at this time due to the lack of growth in the number of preschool children (children under age 5) in Santa Monica, per the 1990 and 2000 U.S. Census.

An analysis of the child care facility costs associated with each residential unit plus programmatic costs based on current City expenditures was conducted for informational purposes. Should the City wish to pursue a linkage program in the future, or use the information for other purposes such as for the negotiation of development agreements, the findings may be useful to the City.

The child care facility linkage cost is quantified, using 2005 costs, in the same manner as with the workplace buildings. The cost of each child care center facility space, with and without land, is applied to the conclusion that there is demand for 0.003 child care spaces per residential unit,

Child Care Cost excluding land	\$56 Per Residential Unit
Child Care Cost including land	\$166 Per Residential Unit
Average	\$111 Per Residential Unit

For informational purposes, the program costs per child were calculated. Following are the City funded program costs allocated to each residential unit in Santa Monica. These costs cover all children up through high school age.

Child Care and Youth Service Costs	Cost per Residential Unit
City Assistance to Pre-School, School-age Programs and Scholarships *	\$581
Other City Expenditures for Child Care and Youth Services*	<u>\$2,640</u>
Total Per Residential Unit	<u>\$3,221</u>

*From 2002/03 Budget, City of Santa Monica

KMA Recommendations

- Based on all the factors summarized in this report, KMA suggests maximum fees in the range of the average for each building type: Office \$5.27, Retail \$3.77, Hotel \$2.64
- KMA does not recommend establishing a fee for new residential construction at this time.
- For consistency, we recommend the same thresholds as with other standards or impact fees. The threshold for Development Review is 7,500 square feet. The Housing and Open Space Fee has lower fees below a 15,000 square foot threshold. The City may wish to reconsider all thresholds at this time.

INTRODUCTION

A. Background/Context

The following report analyzing the linkages between child care demand and new development in the City of Santa Monica has been prepared by Keyser Marston Associates, Inc. (KMA) pursuant to Santa Monica City Council direction, and the ensuing contract dated June 26, 2002. The report was prepared in 2003, with portions updated in 2005. This report covers a range of topics related to establishing and quantifying relationships between new construction in the City and the demand for child care, and the costs of mitigating that demand.

The City of Santa Monica has a history of supporting both the supply and quality of child care within the City. The City has played an active role in funding and assisting various projects, programs and activities for the children of City residents, and children who attend school in the City. In 1991, the City adopted a Child Care Master Plan, which identified the possibility of exploring the relationship between new development and increased demand for child care services, and thus the possibility of establishing a development fee that would mitigate the cost of the increased demand. This report summarizes the work program designed to meet the Council's objective.

B. Process

The City's Child Care and Early Education Task Force met with KMA personnel several times over the course of the work program. The Task Force provided direction and generally acted as a "sounding board" as findings and early recommendations emerged.

KMA staff also met extensively with City staff groups from Planning and Human Services Divisions throughout the work program. In addition, KMA and City staff met with representatives from the City Attorney's office to discuss legal directives related to impact fees and California State Law. This report presents the data, analysis, and professional recommendations resulting from all of these sources.

C. Report Organization

This document contains the linkage analysis for Workplace Buildings (office, retail, hotel) and a section providing materials to assist policy makers in deliberating fee levels and other linkage program terms. Sections I through IV, as described below, contain the analysis and report to meet the needs of AB 1600, as contained in Section 66000 of the California Code.

The report is divided into five sections as follows:

- *Section I* – outlines the concept and legal framework and summarizes the analysis parameters and the methodology for conducting the analysis. Major assumptions underlying the analysis are also provided in this section.
- *Section II* – presents the demand linkages for workplace buildings, starting with a given universe of employees, the incidence of children in various age groups, a discussion of how child care needs are met and, finally, the demand for child care center space near the parent's place of work.
- *Section III* – addresses the costs of mitigating child care demand through adding physical capacity in new child care centers. This section focuses on the capital cost of developing new child care centers in Santa Monica, based on both recent experience and an examination of the cost components.
- *Section IV* – links the findings regarding demand for child care to the findings regarding mitigation costs (Section II with Section III) relative to various types of buildings including office buildings, retail buildings, and hotels. The conclusion of Section IV provides total child care linkage costs per square foot of building area (for commercial buildings). This is the maximum amount that can be charged per square foot to mitigate new child care facility demands, per this analysis.
- *Section V* - is a brief recapitulation of the analysis and conclusions contained in Sections II through IV. It provides a summary of the major steps for linking employees to demand for child care center spaces near the work place to the cost of developing the new spaces.
- *Section VI* – presents some considerations and data to assist policy makers with decisions about setting fees and designing a linkage program for Santa Monica. Topics include fee amounts in the context of total development costs, other impact fees in Santa Monica, potential funding generation, and child care linkage programs in other jurisdictions. Unlike the prior sections, the material in this section does not address linkage per se.

An Appendix section provides the residential analysis and other supporting material, including a glossary of terms used in this report. An Executive Summary precedes the main report document.

D. Disclaimers

The analyses in this report have been prepared using the best and most recent data available. Secondary sources, such as the U.S. Census 2000 and surveys by the Urban Institute, were extensively used. Local information from the City of Santa Monica was also utilized whenever it was available. While KMA believes these sources of data are sufficiently accurate for the purposes of the analyses, KMA cannot guarantee their complete accuracy. As a result, KMA assumes no liability for conclusions drawn from these sources.

This report was originally prepared in 2003. Portions have been updated to reflect increases in land value and other adjustments. KMA believes that none of the earlier information has changed in a manner that would in any way undermine the conclusion of this analysis.

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SECTION I - ANALYSIS CONCEPT, PARAMETERS AND METHODOLOGY

A. Overview of the Concept and Methodology

This report summarizes the analysis and findings of the linkages between commercial construction and impacts on child care demand, as well as additional information of interest to policy makers in designing a linkage program for the City of Santa Monica.

The basic concept is a series of linkages that moves from construction of new buildings to new employees, new employees to families with children age 5 or under, to the number of children needing child care, to those with needs that can be met at or near the workplace. The conclusion of the impact analysis is the need or demand for child care spaces in relation to building area, or per square foot building area. The cost to mitigate the impact is the cost to build a child care facility prorated in proportion to the demand generated.

An approach used in this analysis is to analyze a group or "universe" of 1,000 employees that is applicable to the workers in all types of workplace buildings in the analysis. There is no suitable database that enables a differentiation as to how the employees in different types of buildings have different child care needs. The universe of 1,000 workers is selected because it enables the analysis to quantify children and child care in readily understandable whole numbers, rather than the very awkward fractions that an analysis on the per employee level would entail. At the end of the analysis, the findings are translated to costs per square foot of building area, to express a "linkage cost" or maximum fee level supported by the analysis.

Using U.S. Census information, a demographic analysis is conducted on the employees to determine what share have children of preschool age or under and what share of those have need for child care due to working parents (both parents work if a two-parent household or a single parent who is working). For the analysis of workers in Santa Monica, the demographic profile of Los Angeles County is used, since workers in Santa Monica come from all over the greater area and are more likely to have a demographic profile similar to the County as a whole than to the residents of Santa Monica.

B. Analysis Parameters

1. Building Types

The analysis is conducted for three major workplace building types — office, retail and hotel. These three types are short name versions of broad categories. The key variable in the definition is similarity of employment density. Office is inclusive of R&D (of the type likely to be drawn to Santa Monica), and also entertainment industry production space. Employment density

is assumed similar to the density factors utilized elsewhere in Santa Monica applications, such as for parking analysis.

The retail categories are more broadly inclusive of restaurants, bars and entertainment facilities, including cinemas and other commercial entertainment venues. Retail density is generally more varied than office density, and covers the spectrum from high volume small eating outlets to furniture stores where employment density is far less. The 350 square foot average per employee is an average of this broad spectrum.

Hotel categories cover the range of lodging types, including resorts. The major employment density variable with hotels is the service level. Given the high room rate structure of the Santa Monica hotel market, most newly developed facilities will have a high service level, probably higher than the one employee per room average used in the analysis. In applying a fee program to hotel space, the City has the option of treating all space within the hotel equally or of separating out retail, restaurant and office areas for different fee levels.

2. Infants, Toddlers and Preschool Children Only

The analysis must focus on the child care services relevant to the various building types addressed. For workplace buildings, including office buildings, retail projects and hotels or other lodging, the relevant child care is related to employees who need child care while at work. For purposes of this program, this means child care at or near the workplace (as opposed to near home). Essentially, this limits the universe to child care for infants, toddlers and preschool children; child care at (or near) the workplace is usually no longer a viable option once the child is in school, unless the school is close by. Most workers enroll their children in school in their home community or near their place of residence.

It is known that some workers in Santa Monica do enroll their children in Santa Monica schools despite living in another jurisdiction. From a conceptual standpoint, these children and the cost of mitigating their demands on the before and after school facilities and programs in Santa Monica schools could be included in the analysis. KMA and City staff agreed not to include them due to the following considerations:

- If the children of non-resident workers in Santa Monica were included in the analysis, it would be necessary to assemble data on children enrolled in Santa Monica schools, by age and grade level, who are there because their parents work in Santa Monica (as opposed to living outside the City and selecting Santa Monica schools for some other reason).
- Of the children enrolled in Santa Monica schools who meet the above criteria, it would be necessary to sort for (or identify the share of) children whose parents work in

commercial buildings as opposed to governmental or other types of structures not included in the analysis.

- Of the children who meet the above criteria, the analysis would then need to quantify all non-resident workers in commercial structures who enroll their children in Santa Monica schools as a share of all workers in these buildings. KMA believes this would be a very, very small share.
- Of those children quantified from the previous step, the analysis would apply the cost of increasing the capacity of facilities used to accommodate the before and after school programs.
- The result of the analysis would be a very small addition to the total linkage cost conclusion.

In addition to the technical requirements of including school age children in the analysis as summarized above, there may be policy issues as well. For example, if the school related linkage cost were included in the analysis, then the City would be obligated to expend a portion of linkage fee monies on school related facilities at some point. This could dilute limited resources for building new child care centers.

C. Capital Costs Only

The child care linkage program being explored for the City of Santa Monica is an impact fee program, with possible alternatives to paying a fee. As such, the program will need to meet the requirements of the Mitigation Fee Act, AB 1600 as written into California Government Code, Section 66000 and following. The generally accepted interpretation of the Code language is that impact fees in California can be levied to fund capital projects only. This means that only the costs of developing child care facilities may be used in determining impact fee amount. Also, collected funds may only be used for capital development.

Some jurisdictions have interpreted the law to allow other types of costs, such as programmatic costs, to be part of a linkage program. Examples include operating subsidies for child care centers, programs to assist lower income households in affording child care (such as Santa Monica's "scholarship" programs), programs to improve the compensation and benefits of child care workers, and so forth. It would be desirable to include these costs in a child care linkage program, but a broader interpretation of the law would be required. Appendix D presents an analysis of residential linkage that includes programmatic expenditures.

In summary, this analysis focuses on demand for new child care facility space and the costs of providing new space.

D. Implications on Use of Fee Monies

The calculation of impact mitigations and design of fee programs must be consistent with the expenditure of collected fee revenues. If the City designs the impact fee based on demand for child care facilities, the City can only spend impact fee revenues on increasing the supply of child care facilities.

Furthermore, impact fees generated by the development of new workplace buildings (fees on new construction) must be spent to mitigate child care demands associated with workplace buildings. This translates to increasing the supply of child care facilities for people who work in Santa Monica. Such facilities probably need not be restricted exclusively to workers, any more than existing child care centers are restricted to residents.

E. Other Nexus Concept Issues

The nexus analysis yields a causal connection between the construction of new buildings and the need for additional child care, a connection that is quantified in terms of the number of child care spaces and the associated child care facility costs.

The analysis and the nexus established by the analysis do not address existing child care shortages; the analysis addresses only new demands for child care associated with the construction of new workplace building area and new residences.

The analysis should not be construed to suggest that development is the only cause of child care supply problems; nor should it be construed to suggest that the development community should bear the full cost of addressing child care facility supply. An ordinance that implements the linkage program by levying a fee would be one component of a comprehensive program to address child care needs in Santa Monica.

There are several fundamental concepts and assumptions that are important underpinnings to the nexus concept and methodology. Following is a brief summary of these concepts and key assumptions.

- The relationship between construction and job growth in Santa Monica and the Los Angeles region is fundamental to the workplace buildings nexus. While employment growth does not occur due to any single cause or generator, construction of new workspaces does play a critical role in enabling growth to occur. Construction encourages growth, particularly in conjunction with the political and regulatory environment. Finally the provision of workplace buildings is a condition precedent to job growth and therefore bears a unique relationship to growth.

-
- The analysis assumes that new child care facilities are not being added to the supply in sufficient quantities to meet new needs. Surveys conducted by the City confirm that shortages are prevalent.
 - The nexus analysis counts only “direct” employees, or employees that work within a building. Office, retail and hotel buildings are all serviced by a range of additional employees such as janitorial, security services, window washers, landscape maintenance personnel, etc. These employees are not counted in the analysis nor are indirect impacts on employment, such as might result from purchase of supplies, or food for a restaurant, etc. To be conservative, no multipliers or recognition of the multiplier effect of new developments is accounted for in the analysis. Construction employment is also not factored into the analysis.

F. Standard of Research and Data on Child Care

Child care as a concern of society and government has only come to the forefront in recent decades and many child care advocates would argue it is not yet enough at the forefront. The State has a licensing program, the federal government recognizes child care expenditures in the form of tax credits on personal income tax returns, and there are a number of federal, State and local assistance programs. On the non-governmental side there are a number of child care research and advocacy organizations working to advance child care. In addition, there are the child care provider associations, both for profit and non-profit. These entities all make valuable contributions to the data and “literature” on the state of child care in the U.S. today. However, in contrast to housing or employment where the federal government has played an active role for well over half a century, the state of child care data in the form of widely accepted governmental surveys is limited and lags far behind. As a result, U.S. Census data had to be supplemented by research findings from non-profit research institutes and other organizations. KMA believes the data used in this analysis is sufficiently reliable for the purposes for which it is used.

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SECTION II - THE DEMAND FOR CHILD CARE ASSOCIATED WITH WORKPLACES

Placing child care centers in workplace locations such as downtowns, in business parks and other employment centers is still a pioneering concept in the United States. The vast majority of child care centers are located in residential areas or near residential neighborhoods. However, experience and in depth surveys have borne out that parents generally prefer work located child care solutions for infants, toddlers, and preschool children when they are available, affordable and of comparable quality to other child care center alternatives. In fact, there are significant benefits to all parties, including:

- *Child and the Family* – More time with the child during the commute and at break time; less time required than taking a child to a center elsewhere.
- *Employer* – Better morale; enhances recruitment among employees; decreases absenteeism, tardiness, and turnover.
- *Developer* – A marketing advantage to enhance project attraction vis-à-vis the competition; improves leasing.
- *Community* – Improves the image of the community as a good place for families and business together.
- *Traffic Reduction and Air Quality Improvement* – Studies have found that, on average, families drive fewer miles if they can take their children to child care at work than if they use child care centers elsewhere.

Because of these benefits, many of the child care facilities located near workplaces have been built voluntarily by the private sector. Some firms with large numbers of employees provide child care centers to accommodate worker needs and enhance workforce attraction. Developers of large projects for multiple tenants sometimes add child care centers to attract tenants and add value to their projects.

A. Demand Analysis – Starting with 1,000 Employees

The methodology used in this analysis quantifies the demand for child care associated with a universe of workers. For ease of analysis and understanding, a universe of 1,000 workers was used. A universe of this size avoids having to describe children and child care needs in terms of tiny fractions carried out to four to five decimal places.

The major source of data is the U.S. Census 2000. Since workers in Santa Monica are drawn from all over the Los Angeles area, Los Angeles County population characteristics are deemed more appropriate than the characteristics of Santa Monica residents. Because the U.S. Census

provides only limited information on how families meet their child care needs, other national surveys are utilized as documented throughout.

B. Number of Worker Households Represented

The first step translates the number of employees or workers to worker households. This step recognizes that most households have more than one worker. Double counting of two-parent households is therefore avoided.

The factor of 1.44 workers per worker household was determined from the Census by taking the number of workers living in Los Angeles County and dividing them by the number of worker households in Los Angeles County. Worker households factor out or eliminate households comprised of retired or elderly people, households comprised of students, households of people on public assistance, and other types of households that do not contain workers.

Conclusion: The universe of 1,000 employees is reduced to 694.11 employee households. (1,000 divided by 1.44 = 694.11)

C. Employee Households with Children Needing Child Care

The next three steps calculate the number of children needing child care. The calculations are shown in Table 1 and described below.

**Table 1
Demand for Child Care**

Per 1,000 Employees or Per 694.11 Employee Households	Ages 0-2	Ages 3-5 ¹	Total
Step 1. Employee Households with Children in Age Categories			
Factor	13.56%	12.83%	
Number	94.11	89.07	183.18
Step 2. Employee Households Needing Child Care (Parent(s) work)			
Factor	56.47%	68.45%	
Number	53.14	60.97	114.11
Step 3. Children Needing Child Care (Adjusts for more than one child in age group)			
Factor	1.27	1.19	
Number	67.51	72.70	140.21
¹ Five year old children from the Census data are distributed at 50% to the 3-5 year age group. Source: U.S. Census, Los Angeles County 2000			

Step 1: The first step is based on the incidence of worker households having children in each of the preschool age groups. Half of the five year olds are included in the age 3-5 preschool group

and half are assumed to be enrolled in kindergarten and no longer a candidate for child care near the parent's workplace. The age 0 to 2 group actually covers three years: under age 1, age 1, and age 2, or the infant and toddler groups. The age 3 to 5 group covers only two and a half years since only half of the five year olds are counted. This assumption is from the Urban Institute, *Assessing the New Federalism* series, discussed below.

Step 2: The second step factors out the share of the households with children that have all parents working. These are both two-parent households with both parents working and single parent households with one parent working. As to be expected, the percent increases as children get older. These are households with children needing child care.

Step 3: The last step adjusts for the fact that some of these households with children needing child care include more than one child per age group who needs child care.

Conclusion: From the universe of 1,000 workers, there is a demand for child care for 140.21 children.

D. How Child Care Needs Are Met

The next steps in the analysis address how child care needs are met. For this portion of the analysis, the U.S. Census does not provide adequate information. To obtain the best and most recent surveys on this question, KMA conducted a literature search and consulted organizations concerned with the analysis of child care needs.

1. National Studies

On a national level, the best data for this analysis purpose appears to be assembled by the Urban Institute, *Assessing the New Federalism* series. One publication in particular, entitled *Primary Child Care Arrangements of Employed Parents: Findings from the 1999 Survey of America's Families*, Occasional Paper Number 59, May 2002 was the best source for this purpose. The surveys in this series draw from a large national scope and have been updated periodically since the early 1990's. Some special reports in the series have focused on specific age groups; other surveys have tracked differences among states.

Table 2 presents key findings of interest from the above survey. Figures are provided for both the national average, and for California. In California, use of child care centers appears to be lower than the national average. The differences are believed to be a function of availability, affordability and to some extent cultural differences. The two columns on the right refer to above and below 200% Federal Poverty Level (FPL), which for a family of four is an extremely low income level by California standards.

Table 2
Primary Child Care Arrangements of Employed Parents

	U.S.	CA	CA – Below 200% FPL*	CA – Above 200% FPL*
Parent	27%	31%	45%	25%
Relative	27%	27%	25%	28%
Child Care Center	28%	22%	17%	24%
Family Child Care Home	14%	13%	10%	15%
Nanny/Other	4%	7%	3%	8%

*Federal Poverty Level is approximately \$18,400 for a family of four, 200% is \$36,800 per year.
Source: Urban Institute, *Primary Child Care Arrangements of Employed Parents: Findings from the 1999 Survey of America's Families*, Occasional Paper Number 59, May 2002.

The most notable finding is that more than half of all families use either a parent or a relative to meet their child care needs. Since the survey is of families with working parents, the solution for many families is for parents to either work different shifts or hours, or to take a child to work. Use of relatives to tend for children is a solution for another very large proportion of families as well. Nationally, the two arrangements combined represent 54%, and 58% in California.

The U.S. Census has done some surveys on child care, such as the *Who's Minding the Kids? Child Care Arrangements, Spring 1997* (p. 70-86), but this study covers all child care arrangements used by parents and does not single out the primary arrangement. As a result it is not possible to identify the primary arrangements among working parents and to sort out a useful distribution of among child care options based on Census information.

2. California Studies

A few studies in California have addressed the question of how child care needs are met and have found similar results to the national studies. One report prepared by the UCLA Center for Healthier Children, Families and Communities, entitled *Public Opinion on Child Care and Early Childhood Education, California 2001*, prepared for the California Children and Families Commission, found that approximately 26% of children 0 to 5 years were in child care centers.

Selected findings from this report include:

- The primary child care arrangement varies by parent education, parent ethnicity, family income, and children's age.
- Children in families with higher incomes or whose parents have greater educational attainment are more likely than other children to be in center-based care/preschool. For

example, the primary arrangement is a private preschool or center for 33% of children in families with household income of \$75,000 or above and for 13% of children when the household income is below \$75,000.

- Younger children are more likely than older children to be cared for by their parents or to be in home-based arrangements. This is particularly true of infants. Older children, ages 3 to 5, are more likely to be in center-based care.
- Meeting child care needs sometimes varies by ethnicity. For example, a larger percentage of Hispanic children (24%) than non-Hispanic children (16%) are cared for by a relative.

The report covers a number of topics related to parental attitudes toward child care arrangements, importance of learning activities offered, affordability and government assistance availability and so forth. As an overview statement, the report findings contribute to the general recognition that center-based care offers a better learning environment than most alternatives but that affordability is a major obstacle.

E. Child Care Demand – 1,000 Employees

Drawing from the findings of the above surveys, national figures are utilized as a conservative estimate of demand among the child care arrangements for persons working in Santa Monica. The estimates are conservative in the sense that it is likely that the percent who would use child care centers were they available and affordable is understated. Were child care centers available and affordable, the literature strongly suggests that a large share of those who use parents and relatives would use child care centers and Family Child Care Homes. Needless to say, nanny and baby sitter arrangements are typically least affordable to most workers.

Table 3 indicates, by age level, the distribution of child care arrangements for the universe of 1,000 employees in Santa Monica. The first line in the table is drawn from Table 1, Demand for Child Care.

Table 3
Distribution of How Child Care Needs are Met

	Ages 0-2	Ages 3-5	Total
Children Needing Child Care (Table 1)	67.51	72.70	140.21
How Child Care Needs Will Be Met			
Parent/Relative	54.00%	35.00%	
Child Care Center	22.00%	45.00%	
Family Child Care Home	17.00%	14.00%	
Other	<u>7.00%</u>	<u>6.00%</u>	
	100.00%	100.00%	
Child Care Center			
Factor	22.00%	45.00%	
Number	14.85	32.72	47.57
Sources: US Census 2000; Urban Institute <i>Primary Child Care Arrangements of Employed Parents: Findings from the 1999 Survey of America's Families</i> , Occasional Paper Number 59, May 2002.			

Conclusion: The demand for child care spaces in child care centers associated with a universe of 1,000 employees is 14.85 infant and toddler spaces and 32.72 preschool spaces, or a total of 47.57 spaces in child care centers.

F. Demand for Child Care Center Spaces near the Workplace

The last step in the analysis is an allocation of the child care center space demand to two generic locations – near place of work or near place of residence.

There is limited availability of good survey information to enable a split between demand for home based or work based child care. Current experience is a poor guide because there is so little work based child care available.

The UCLA study referenced earlier contained a helpful finding on this question.

- "Relatively few parents say they use employer based child care arrangements [because so few are available]. However, about 76% of parents report that they would be either very likely or somewhat likely to use a child care service offered at their place of work, and 62% say they would use it on a regular basis."

This finding is from a survey of parents using all types of child care arrangements, not of those using only child care centers. Thus, the percent of those using child care centers who would prefer them at place of work would presumably be far higher. However, there is another distinction in that "employer based" implies at the workplace location (as opposed to near the

workplace as is the analysis focus here) and may imply for some, an employer role in cost contribution.

Other surveys confirm a high level of preference for child care located near the workplace for the preschool child, for reasons indicated at the beginning of this section. Most of the surveys and research on this subject do not conclude with quantified distribution of demand. Based on the available information, KMA utilized a 75% share of the demand for child care centers to be located at or near the workplace.

	<u>Age 0-2</u>	<u>Age 3-5</u>	<u>Total</u>
Child Care Center Spaces Demanded (Table 3)	14.85	32.72	47.57
Share Near Place of Work @ 75% of Demand	11.14	24.54	35.68

Sources: US Census, Urban Institute, Keyser Marston Associates.

Conclusion: From the universe of 1,000 employees, 140.21 children need child care. Of all children needing child care, the demand for spaces in child care centers is 47.57. As shown in the lines above, 75% of the demand for child care center space is for a center located at or near the place of work or 35.68 spaces.

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SECTION III - CHILD CARE CENTER FACILITY COSTS

A. Introduction

In this section, KMA presents an analysis of the cost of child care center facilities. It is recalled that in Section I, we established that the prevalent interpretation of the California Code is that linkage fee programs may only address capital or facility costs. In Section I, KMA also clarified that the linkage for workplace buildings to child care must address demand for the preschool child only, or child care centers near the place of work for the children of employees. As such, the facility cost linkage for workplace buildings is for child care center facilities, or cost per child care center space.

1. Demand Conclusions Restated

In Section II, KMA quantified the demand for spaces in child care centers associated with a universe of 1,000 employees. KMA concluded that there was a demand for approximately 36 children in child care centers near the workplace. In this section, KMA quantifies the cost to develop each of these spaces, and, in that way, determines the cost to mitigate the child care impacts generated by new workplace development.

2. Analysis Approaches

Two different approaches are utilized to determine the costs of child care centers. The first approach is to examine the costs of developing child care centers by analyzing the component parts — building shell, equipment, land, etc. The second approach is to examine the cost experience of other recently developed West Los Angeles area child care centers. Further confirmation is made by looking at the costs of child care center development in other high cost areas.

The information in this section was assembled with the assistance of City of Santa Monica staff and the Child Care and Early Education Task Force. Survey and analysis results were presented to the Task Force and a number of adjustments were made per staff and Task Force input.

B. A Prototypical Child Care Center in Santa Monica

1. Development Space Requirements

To be licensed, child care facilities must meet minimum space requirements mandated by the State of California. These requirements, which differ by age of child, are briefly summarized below:

-
- Building Space
 - Infants and toddlers (ages 0-2) – 35 square feet plus an allowance of 15 square feet for bathroom and circulation space per child plus 15 square feet to allow for sleeping area, or 65 square feet per child.
 - Preschool and school age (ages 3 to 12) – 35 square feet per child plus an allowance of 15 square feet for bathrooms and circulation space.
 - Outdoor play area – 75 square feet per child; 50 square feet for infants and toddlers.

Child care center operators agree that these are minimum space requirements and do not provide adequate space for a high quality child care center. The minimum requirement provides insufficient space for different simultaneous activities and for necessary administrative functions and other needs to be accommodated. As a result most child care centers are built to a slightly higher standard as the charts at the end of this section demonstrate. According to child care education experts, a good amount is 100 square feet per child. For the purpose of this analysis, the City of Santa Monica chose 70 square feet per child as an appropriate figure, and clarified that the figure does not reflect a city policy or standard for other applications.

2. Land Area Required

City of Santa Monica Zoning Code was used by City staff to determine the site size required for a child care center of an average workable size. Site coverage and parking requirements are particularly influential in determining total site needs.

Since Santa Monica land parcels are predominantly 7,500 square feet, or multiples of that size, total parcel size for a child care center was selected accordingly. A 15,000 square foot site would accommodate a 65-space child care center per City standards for parking and drop-off spaces and other site coverage requirements. A prototype of a 65-space child care center was selected for the analysis, which at 70 square feet per child is a 4,550 square foot center (65 children x 70 sq. ft. per child = 4,550 square feet).

The size of the land parcel and land cost estimate are for nexus analysis purposes. It is anticipated that centers may well be built on smaller parcels and have solutions for parking and drop-off spaces other than surface spaces. The prototypical child care center analyzed is a one-story building configuration with outdoor play areas and surface parking. To confirm these costs compared to costs for other more urban configurations, information on other prototypes was

assembled and compared. (See end of this section.) It is important to note that the total site cost is the key assumption, not the per square foot land area cost.¹

At the time the analysis was prepared in 2003, a land cost of \$80 per square foot was used, or the lower end of the range at that time. The 2003 figures in the inset Table 4 applied to a 15,000 square foot site area for a total of \$1.2 Million. See footnote below.

3. Development Costs

The main components and unit costs are shown in Table 4.

Table 4
Child Care Facility Development Cost Summary (2003)

	PSF Bldg. Area	Bldg. Area	Total
Building Shell	\$170/SF	4,550 SF	\$773,500
Furnishings, Equipment and Indirects	\$70/SF	4,550 SF	\$318,500
Site (Land and Parking)	<u>\$264/SF</u>	<u>4,550 SF</u>	<u>\$1,200,000</u>
Total	\$500/SF	4,550 SF (Bldg.)	\$2,292,000

Source: Keyser Marston Associates' survey of West Los Angeles child care center construction costs, City of Santa Monica.

The furnishings, equipment and indirects category covers a range of costs including indoor furnishings and fixtures, outdoor play structures, start-up costs, design and engineering, fees and hook-ups, and financing.

The costs per child care space (for the 65-space center as calculated in 2003) are as follows:

Development costs excluding land	\$16,800
Development costs including land	\$35,260

¹ Since the initial preparation of this analysis in 2003, land costs have increased in Santa Monica. In 2005 the probable cost per square foot range is \$125-\$400, depending on location. At \$160 per square foot, or double the \$80 per square foot cost used in the initial analysis, the site cost would be \$2.4 million or more than twice the rest of the project. More likely an alternative site solution would be found, using shared or structured parking and/or shared play area and other cost savings, keeping site costs less than \$2.4 million. For reference, however, if the site cost were \$2.4 million, the total project cost would become \$3.5 million, instead of the \$2.3 million indicated in Table 4 above.

If 2005 land cost at \$160 per square foot is used and a 10% escalation in other costs, then total costs per child care space are as follows:

Development costs excluding land	\$18,500
Development costs including land	\$55,400

Conclusion: It costs approximately \$18,500, excluding land, per child care space to develop a new child care center in Santa Monica. Total cost including land is \$55,400 per child care center space. Table 5, at the end of this section, presents a more detailed summary of development costs.

C. Other West Los Angeles Area Child Care Center Costs

Table 6, at the end of this section, summarizes the development cost experience of other West Los Angeles child care centers. City staff identified the child care centers, varying in construction type and timing, to be included in the survey. Some of the surveyed centers are new construction developments, others are rehabilitation projects and one is currently in the planning process.

With the exception of the project in the planning stage, each center in the survey became operational between 1998 and 2002. Excluding land costs, the development costs per child care space range from \$8,330 to \$39,250. Cost differences are due to varying circumstances and year constructed. A summary of each case study follows:

1. New Construction

Les Enfants Inc. Preschool in Santa Monica has an enrollment of 72 children (28 infant, 18 toddler, and 26 preschool). The stand-alone building was constructed on a vacant lot in 1998 at \$600,000, or \$8,330 per child care space, excluding land. The school director did not provide the land purchase price due to confidentiality. The outdoor play area is approximately 5,000 sq. ft., or 70 sq. ft. per child. In addition to the outdoor play area, 5,000 square feet is dedicated to parking. The parking ratio is one space per seven children.

The Westside Children's Center (WCC) in Culver City has spaces for 100 children. It was developed in 2002 for \$3,925,300, or \$39,250 per child care space. The WCC is part of a larger facility and the first of two development phases. The indoor area is 11,650 square feet, or 115 square feet per child, excluding meeting space, additional building and storage space. The outdoor play area is approximately 15,000 sq. ft., or 150 sq. ft. per child. The parking ratio equals one space per four children.

In 1995, WCC purchased the 2.7-acre site for \$1 million during an economic downturn. The land was owned by the City of Los Angeles and zoned industrial. Office and child care uses equally share the site.

2. Rehabilitation

New Path Montessori School is located in a 1929 single-family home, which was rehabilitated in 2001. The school has spaces for 30 toddlers (2-6 years old). The school includes 1,200 square feet of indoor space, or 40 square feet per child. Outdoor space is 1,400 square feet, 50 square feet per child. The parking ratio equals one space per ten children.

The acquisition and rehabilitation cost was \$557,700, or \$18,600 per child care space. Land costs account for \$327,900 of the total costs. Rehabilitation costs were \$229,800, or \$190 per building square foot. The school director notes that rehabilitation costs exceeded original estimates due to implementation.

Saint Joseph Infant Toddler Development Center was purchased and rehabilitated by Venice Community Housing Corporation in 1999 for \$498,700, or \$21,700 per child care space, excluding land. The Center is located in a two-story building and has spaces for 23 children (6 infants (up to 18 months) and 17 toddlers (18 thru 36 months)). The Center includes 1,570 square feet of indoor play area, or 70 square feet per child. The outdoor play area is approximately 900 square feet, or 40 square feet per child. The parking ratio is one space per 23 children.

Saint John's Health Center, Santa Monica Family YMCA and Smart Start centers were targeted to be part of the survey. However, due to the nature of these facilities, the data could not be organized in a way that was parallel to the other centers.

3. Planned Construction

The UCLA Campus Center is currently in the planning stages. However, preliminary estimates were provided for the survey. The Center will have spaces for 84 children (12 infants, 12 toddlers and 60 preschool). The construction costs are currently estimated to be \$2.1 million or \$25,000 per child.

The Center will have 5,000 square feet of indoor space and 7,500 square feet of outdoor space (60 square feet and 90 square feet per child, respectively). The development plan includes renovation of a 1,600 square foot existing child care facility to be used as a conference room and kitchen. There will be a few drop-off parking spaces but staff parking is to be located off-site elsewhere on campus.

A major private donation will pay construction costs. The university is providing the property.

See Appendix C for more information on each case study.

D. Other Child Care Center Averages (2003)

On a per square foot measure, total costs for the five examples show a broad range from \$120 per square foot to over \$460 per square foot. However, if the survey's lowest and highest costs are eliminated, the costs for the remaining three projects are in the range of \$350 per square foot and the average construction cost per child care space, excluding land, is approximately \$16,670.

Considering the differences in time and the expectation that most new child care centers will likely be new construction, the \$16,800 analysis for current costs, excluding land, is supported by the experience in other West Side centers as a good average for new facilities.

The survey did not enable KMA to identify useful cost experience for land for new facilities in Santa Monica. Land costs were only provided for three of the case studies. The WCC land purchase had special circumstances that would not be applicable to a land purchase today. While New Path and Saint Joseph reported land costs, these centers are both rehabilitation projects where purchase costs included existing improvements. Therefore, as discussed in the previous section, a conservative estimate for residential land in Santa Monica in 2003 was \$80 per square foot, or a total site cost of \$1.2 million for a child care center for 65 children. (It is noted that child care centers built on sites costing more than \$80 per square foot would likely resolve parking needs in some other manner, such as sharing parking with some other use, above grade or underground structures, etc.) With other solutions, the \$1.2 million estimate for land for the 65-space center (or nearly \$18,000 per child care space) was deemed a suitable land cost assumption for purposes of this analysis.

E. Child Care Center Cost Experience in Other High Cost Areas (2003)

As a cross check against the West Los Angeles Area experience, KMA assembled some information on the cost of child care centers in other high cost areas, both suburban in character and more center city urban. The two comparison areas are Silicon Valley in northern California and downtown Seattle, Washington.

1. Silicon Valley

Silicon Valley was selected as a comparable area due to very high land costs and generalized density of development akin to the western Los Angeles area. Several useful pieces of information were assembled that help confirm the Santa Monica cost range.

- The City of San Jose has a program to assist with the development of child care centers. A consultant hired by the city advised that the city should plan on child care centers

costing \$16,000 per space, excluding land and parking. This appears to include an allowance for at least some equipment, furnishing and indirect costs.

- The City of Menlo Park has been seeking to redevelop a parcel in its civic center complex with a large child care facility to accommodate both preschool and after school programs. A design and project development team reported back to City Council to get authorization to seek construction bids. The estimated cost for the total 180-space project is \$6,600,000. This figure computes to \$34,178 per space or \$439 per square foot building area. Since the city already owns the land, there is no land cost included, although there is significant site work needed.
- In late 2003, KMA conducted a survey of child care center development cost experience in the San Mateo-Peninsula area for the purposes of a child care linkage program in the City of Santa Mateo. Good data on four centers was assembled and it was concluded that total costs per space averaged at least \$25,000 per space.

2. Downtown Seattle

In 2001, KMA conducted a child care linkage analysis for the City of Seattle and assembled information on the cost of child care centers in that downtown. At the time, there was one child care center that had been developed within a high-rise office building, the Washington Mutual Tower which was completed in 1988. The child care center was built for 23 infants and toddlers and no preschoolers due to the difficulty of the outdoor play area component. The development cost at that time was \$525,000 or \$22,800 per space. This cost did not include outdoor play area (some was added later). Nor did it include land cost. Only one dedicated parking space was built.

Other downtown child care centers not in high-rise buildings had similar development costs, particularly after adjustments for time of development and other differences.

For the Seattle program KMA undertook a prototypical child care center cost analysis similar to the Santa Monica analysis presented here. The major cost components and conclusion are shown in Table 7.

Table 7
Seattle Child Care Center Cost Analysis (2001)

	Per SF	Per Child Care Space	Total for 60 Child Care Spaces
Land (per square foot building area)	\$30	\$2,250	\$135,000
Building Shell	\$165	\$12,375	\$742,500
Furnishings, Equipment and Indirects	<u>\$148</u>	<u>\$11,100</u>	<u>\$666,000</u>
Total	\$343	\$25,725	\$1,543,500

Source: Keyser Marston Associates.

Several clarifications and comparisons are appropriate.

- The Seattle prototype included no parking or drop-off spaces.
- Land costs were prorated in a building and intentionally stated at the low end. Land cost per child care space was \$2,250 in Seattle; the Santa Monica costs are much higher.
- Each of the 12 parking or drop-off spaces in Santa Monica costs an average of \$28,266 in land costs. Were these 12 spaces in a parking structure instead, the cost of the structure including a land allocation and all indirect costs, would be roughly the same as the \$28,000 per parking space.
- The Seattle prototype assumed 75 square feet per child care space compared to the 70 square feet per space assumption for Santa Monica.
- The estimate for furnishings, equipment and indirect costs was substantially higher in Seattle. This was a result of more detailed data on these costs in other child care centers in downtown Seattle.

F. Conclusion

After reviewing the rather wide range of cost experience in developing child care centers, particularly as it relates to all the costs beyond construction of the building shell, one can conclude that state-of-the-art cost estimating for child care centers is still in the formative stage. There appear to be few standards and little consistency with regard to what is counted, what is necessary, and how much should be allowed for such things as equipment and start-up costs. It is also evident that many child care facilities are built on land already owned and therefore land cost is frequently left out of the equation.

The recommendation from this analysis and survey is that \$35,000 per space in Santa Monica is a good planning number for the purposes of a mitigation program. The cost per space excluding land at \$16,800 clearly is at the low end, and there are at least three examples where costs are double that excluding land (West Los Angeles, UCLA, and Menlo Park). On the other hand the assumption of \$18,460 per child care space for land (to meet the standards of the Santa Monica zoning code with respect to parking and drop-off spaces) is substantial and assumes no variance from the code to accommodate a child care center. Even if parking were accommodated in a structure or other more dense solutions to the child care building and outdoor areas were employed and some code variance was permitted, KMA believes that it would be difficult to reduce the "all inclusive" cost of a child care center in Santa Monica below \$35,000 per space.

The update for late 2005 presents revised conclusions as discussed in Section B, as follows:

Development cost excluding land, per child care space	\$18,500
Development cost including land, per child care space	\$55,400

G. A Note on Rehabilitation of Child Care Centers

The survey of recently developed West Los Angeles area child care centers found a number of them were rehabilitations of existing buildings. These costs per space again ranged widely and were highly inconsistent with respect to what was counted and not counted. Rarely does the cost or value of the existing structure and land get included in the calculation. Since the City of Santa Monica does not own or identify buildings with rehabilitation potential for child care centers, it was not appropriate to use rehabilitation as an option to mitigate new demands.

A child care linkage ordinance, if adopted, will provide for alternatives to paying any fee to mitigate child care demand. The alternatives would include the construction of new child care facilities and the rehabilitation of existing structures, subject to certain standards and acceptability to the City. In other words, if a developer chooses to meet a child care linkage obligation through rehabilitating an existing structure and can do so at less cost, the developer could be welcome to do so.

**TABLE 5
TYPICAL CHILD CARE CENTER FACILITY COSTS (2003)
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA**

Number of Children:	65		
Size of Facility			
Indoor Space @	70 sq. ft. per child	4,550 sq. ft.	
Outdoor Space @	80 sq. ft. per child	5,200 sq. ft.	
Total		<u>9,750 sq. ft.</u>	
Cost of Facility			
Building shell @	\$170/sf	4,550 sq. ft.	\$773,500
Furnishing, equipment @ (includes indirects)	\$70/sf	4,550 sq. ft.	\$318,500
Land required:			
Building pad		4,550 sq. ft.	
Parking ¹			
Facility Parking @ 9 spaces		3,190 sq. ft.	
Drop-off Parking @ 3 spaces		1,050 sq. ft.	
Outdoor play area		5,200 sq. ft.	
		<u>13,990 sq. ft.</u>	
Total land required @ 93% coverage		15,000 sq. ft.	
Land cost @ \$80 sq. ft. x 15,000 sq.ft.			<u>\$1,200,000</u>
Total development cost			\$2,292,000
Cost per sq. ft. child care facility			\$500
Cost per child care space			
Including Land			\$35,260
Excluding Land			\$16,800

¹ City provided parking space requirements. Assumes one parking space per 500 sq. ft. gross building area and assumes one parking space requires 350 sq. ft.

**TABLE 6
WEST LOS ANGELES PRE-SCHOOL CHILD CARE CENTERS SURVEY
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA**

Name/Location	Developer	Year Buil/ Rehab	No. of Child Care Spaces (FT equiv.)	Total Size (Sq. Ft.)		Total Cost	Cost/ Space	Cost/ Sq. Ft. Indoor	Cost Excluding Land		Comments
				Indoor	Outdoor				Cost/ Space	Cost/ Sq. Ft. Indoor	
				Per Child	Per Child						
NEW CONSTRUCTION											
Las Enfants Inc. Preschool 2702 Virginia Avenue Santa Monica	Nancy Behrvesh, Director (310) 315-0058 Page Construction	1998	Infant 28 Toddler 18 Pre-School 26 <u>Total 72</u>	Per Child 89	69	Total 5,000	\$ 8,330	\$ 120	\$ 8,330	\$ 120	Land purchase price not provided due to confidentiality. Outdoor space excludes 5,000 sq ft dedicated to parking. Parking ratio is one space per seven children.
Wastside Children's Center (WCC) 12120 Wagner Street Culver City CA 90230	WCC Rosa Arevalo/Douglas Chin (310) 397-4200	2002	Infant 0 Toddler ** 48 Pre-School 52 <u>Total 100</u>	Per Child 117	150	Total 4,383,310	\$ 43,830	\$ 380	\$ 39,250	\$ 340	The child care center is part of a large facility and the first of two development phases. Reported size excludes meeting space, additional building & storage. Large site - WCC purchased 2.7 acre industrial site in 1995. Parking equal to approximately one space per 4 children.
REHABILITATION											
New Path Montessori School 1982 20th Street Santa Monica	Chandra Jayasekara (Ira) (310) 450-2477	2001	Infant 0 Toddler 30 Pre-School 0 <u>Total 30</u>	Per Child 40	47	Total 557,700	\$ 18,580	\$ 460	\$ 7,680	\$ 190	Owner claims extraordinary renovation costs. Parking ratio is approximately one space per 10 children
Saint Joseph Infant Toddler Development Center 718 Rose Avenue Venice, CA 90291	Saint Joseph Center Judy Alexander (310) 398-8488 x306 Venice Cmmt Hsg Lori Zimmerman (310) 398-4100	1999	Infant 6 Toddler ** 17 Pre-School <u>Total 23</u>	Per Child 88	39	Total 1,570	\$ 21,880	\$ 320	\$ 16,690	\$ 240	Parking equal to approximately one space per 23 children.
PLANNED CONSTRUCTION											
UCLA UCLA campus	Gay Macdonald UCLA Child Care Services (310) 208-1861	2003	Infant 12 Toddler 12 Pre-School 60 <u>Total 84</u>	Per Child 60	89	Total 5,000	\$ 25,000	\$ 320	\$ 25,000	\$ 320	Project is in planning stages, very preliminary estimates provided. Project includes 1,800 sq ft for renovation of existing child care center, includes kitchen & staff space. University donated land. Off-site but on-campus parking provided.
SURVEY AVERAGE			56	Per Child 71	79				\$ 19,386	\$ 242	

Source: Keyser Marston Associates' interviews with child care center staff.

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SECTION IV – BUILDING DEVELOPMENT AND LINKAGE COSTS

This section combines the findings of the demand analysis (Section II) with the findings of the child care center development cost analysis (Section III) to establish linkage costs. This section first addresses the linkages between workplace building construction and job growth. The historic relationship between the construction of workplace buildings and job growth is examined both in general and for different types of workplace buildings to the extent data availability allows. The three types of workplace buildings that are the subject of this analysis are: office (or office/R&D/), retail and entertainment, and hotel and other lodging. This analysis allows us to link buildings to jobs to employees and child care demand impacts on a per square foot level.

In parts D and E of this section, the conclusions with respect to the child care demand impacts and the costs of mitigating the child care impact are joined together. The result is a quantification of child care impacts associated with workplace building construction per square foot and the costs of mitigation per square foot. The conclusions of the analysis represent the maximum charge for mitigation, or maximum impact fee level supported by this analysis. The City may design impact fees or other type linkage requirements at any level below those established by this analysis.

A. Construction and Job Growth Linkage

The first link in the chain of linkages joining the construction of workplace buildings and child care demand is that between building construction and job growth. If the impact fee is levied on a building at the time of construction, the underlying assumption is that the addition of building space will result in more jobs in Santa Monica. (See Section I for more on the underlying concept and ancillary assumptions.)

To confirm the relationship, KMA assembled available information on job growth and workplace building construction in Santa Monica. For the job growth/building analysis, City staff provided Santa Monica job data for 1995-2000, based on State Employment Development Department (EDD) reports. Job data of this detail are not available for Santa Monica prior to 1995. Data was supplemented with information from the economics page located in Section 6 of the City's web site. The web site refers users to the California State University Long Beach Office of Economic Research 3rd Annual Santa Monica Economic Forecast Presentation (November 2001).

The jobs data series provided by the City appears to be the only data available at the city level. The data series is based on payroll forms prepared by companies and submitted to the EDD. This data source has the following limitations:

- The self-employed and business owners operating as a sole owner, rather than a corporation, without payroll deductions are excluded. Contract workers are also excluded.

- The information is based on where the payments are reported from; e.g., if all Burger King employees are paid through Burger King headquarters, then their statistics would show up in the Burger King headquarters location. The reciprocal is also true; if a corporation is headquartered in Santa Monica payroll information would be provided for the entire company, regardless of whether jobs are located in Santa Monica.
- The data is organized by major Standard Industrial Classification (SIC). This classification system does not neatly match to building type for many categories. Office is particularly problematic since office jobs are a large portion of the services, the finance insurance and real estate "industry", and, in a place like Santa Monica, many manufacturing firms have office functions there, not production activities.

Table 8
Number of Jobs in Santa Monica by Major Industry

	1995	2000	Change
Agriculture	266	546	280
Mining	-	-	-
Construction	1,688	1,832	145
Manufacturing	2,241	3,083	843
Transportation/Utilities	1,352	1,735	383
Wholesale Trade	2,205	2,127	(78)
Retail Trade	13,994	17,328	3,334
FIRE	5,127	5,561	434
Services	28,276	34,859	6,583
Public Administration	4,956	5,974	1,018
Confidential ⁽¹⁾	<u>2,305</u>	<u>1,039</u>	<u>(1,266)</u>
Total	62,410	74,084	11,675

⁽¹⁾To protect employee identity, specific job type is not available for these jobs.
Source: City of Santa Monica.

To convert jobs by industry to jobs by building type, KMA utilized a cross matrix of percentage relationships to estimate the share of jobs in office type buildings. For retail and hotel jobs discrete industries subsets could be used. The estimate of jobs by building type for the three types of buildings under analysis is shown in Table 9.

Table 9
Estimated Jobs by Building Type

Building Type⁽¹⁾	1995	2000	Change
Office (Estimated)	17,162	19,928	2,766
Hotel	1,317	2,571	1,254
Retail	<u>13,994</u>	<u>17,328</u>	<u>3,334</u>
Total	32,474	39,827	7,354

⁽¹⁾Building types reflect major non-residential uses represented in the Child Care Nexus analysis. Jobs for a specific building type are comprised of related SIC employment codes. Data is not available on a more detailed level.
Source: City of Santa Monica, Keyser Marston Associates.

The City also provided KMA with annual construction activity for the same time period. The information is from building permits and therefore should lead to job growth. For this analysis, it was assumed that on average jobs would occupy new buildings approximately a year after permitting.

During the 1995-1999 period, approximately 1.12 million square feet of commercial development activity was reported (see Table 10). The information does not break down building types further than "hotel" and "other-commercial." Further, no hotel development activity was reported for this time period, despite the growth in hotel jobs. The City of Santa Monica issued building permits in the late 1980s for three hotels constructed in the early 1990s. These new hotels are likely responsible for the growth in the number of hotel jobs in the mid to late 1990s, as hotels typically take a few years to achieve stable operations and would continue to expand employment during this period.

B. Jobs and Construction Activity Correlation

Because the data do not identify individual building types, the analysis illustrates the general correlation between jobs and building. Table 10 presents the relationships found from comparing the new jobs to the new space over the 1995 to 2000 time period.

Table 10
Correlation Between Jobs and Commercial Building

	New Jobs (1995-2000)	Building (SF) (1995-1999)	SF per Employee
Hotel	1,254	0	0
Other Commercial	<u>10,421</u>	<u>1,116,118</u>	<u>107</u>
Total/Average	11,675	1,116,188	96

Source: City of Santa Monica; Keyser Marston Associates.

The data shows that there is indeed a correlation between employment and workplace building activity in Santa Monica for the five-year period. In other words, as new workplace buildings were developed during this period, new jobs were also created.

The relationship between employee and square feet of building area can be expressed as a density factor. As shown above, Santa Monica gained 11,675 jobs and 1.12 million square feet of nonresidential building area was developed between 1995 and 1999. The average density factor during this period would calculate to one employee per 96 square feet.

The time series reflects a period of vigorous economic expansion only. As such, there probably was considerable job growth in existing buildings. Busy restaurants employ more staff than more idle ones. With a longer time series one would expect to see the very high density levels found here (or low number of square feet per employee) come down substantially. Unfortunately, KMA was unable to obtain the same series information for the 1990 to 1995 period.

However, figures on total job growth and construction activity in Santa Monica over the decade are available. The Cal State Long Beach Office of Economic Research reported the job figures, supplied by the City. These figures indicate total non-farm employment in Santa Monica as follows:

1991	51,000 (approx.)
1995	62,140
2000	75,500

These figures show that Santa Monica experienced substantial growth during the early half of the decade despite the recession in the region and the State as a whole over the period. According to this series job growth over the decade was 24,500 jobs.

Total commercial construction activity in Santa Monica over the period from 1990 through 2000, according to the City, was 1,636,812 square feet, or 148,802 per year on average. (See Table 12, at the end of this section, for annual figures.)

The density of new jobs in new buildings from the whole decade computes to 67 square feet per job ($1,636,808 / 24,500 = 67$). Again this suggests much job growth was occurring in existing structures. Other adjustments that might be made with more complete data include elimination of government jobs and others not housed in the analysis categories, jobs that occurred in additions and remodels to existing structures, etc.

C. Employment Density

The available employment data series does not provide an adequate level of detail particularly as relates to individual building types. In addition, the unusually vigorous growth during the time period resulted in substantial employment growth, some of which was occurring in existing buildings. Therefore, given these limitations, KMA believes it is appropriate to use standard employment density factors for workplace buildings instead.

These relationships are based on surveys, some national, some local, for a wide range of conditions collected over many years. Appropriate factors were selected for Santa Monica conditions and were discussed with staff. If the City uses such factors in other applications (such as parking standards), the factors utilized are: 250 square feet per employee for office buildings, 350 square feet per retail worker and one hotel employee per hotel room, or per 500 square feet of hotel building area. The density factors are all notably less dense than the data on job growth and building construction during the late 1990s in Santa Monica would suggest.

D. 1,000 Employees and Building Area

Employment density factors allow one to move back and forth between numbers of employees and building area for various types of workspace buildings. Returning to the universe of 1,000 employees, the following building sizes result:

1,000 Employees Related to Building Size

Office	250 sq. ft./employee	250,000 sq. ft.
Retail/Entertainment	350 sq. ft./employee	350,000 sq. ft.
Hotel/Lodging	500 sq. ft./employee	500,000 sq. ft.

E. Child Care Demand and Mitigation Costs Related to Building Area

At this juncture, it is possible to link workplace building area with number of employees, with child care demand and the costs of mitigating child care demand. Table 12 summarizes the sequence of steps and the results of the analysis, using the updated 2005 figures with and without land.

**Table 12
Workplace Buildings Mitigation Costs Per Square Foot (2005)**

Child Care Center Spaces in Demand per 1,000 Employees (End of Section II)			35.68
		<u>Excluding Land</u>	<u>Including Land</u>
Cost of Child Care Facilities per Space (End of Section III)		\$18,500	\$55,400
Cost of Child Care Center Spaces for 1,000 Employees		\$660,100	\$1,976,700
Cost of Child Care Center Space per Employee		\$660	\$1977
Child Care Center Cost per Sq. Ft. Building Area			
Office	250 sq. ft./Employee	\$2.64	\$7.91
Retail/Entertainment	350 sq. ft./Employee	\$1.89	\$5.65
Hotel/Lodging	500 sq. ft./Employee	\$1.32	\$3.95
Source: Keyser Marston Associates			

Total child care linkage costs are provided with and without land in recognition that some child care centers may be developed on land either donated or already owned by the City. To reflect the mix, an average linkage cost for the two assumptions is recommended for establishing the maximum ceiling. Results are as follows

Office	\$5.27
Retail/Entertainment	\$3.77
Hotel/Lodging	\$2.64

These are the total child care linkage costs for workplace buildings and child care center facilities. These costs, also referred to as total nexus costs, represent the legal ceiling for potential fees supported by this analysis. These are not recommended fee levels. The City may set fees at any level below these nexus costs. Section VI of the report provides additional materials for assisting in selecting fee levels.

F. Building Area and Child Care Demand

The relationships between employees, child care demand and building area have other potentially useful applications beyond the setting of fee maximums. KMA recommends that the City offer a build option as an alternative to paying fees. In addition, the City may wish to require the construction of a child care center for a very large project.

For example, if the City determines that a minimal optimal size child care center is 75 children, it is possible to determine how large the project needs to be to warrant 75 child care spaces.

$$75 \text{ spaces} / 35.68 \text{ spaces (per 1,000 employees)} = 2.102 \text{ times}$$

Office: 250,000 sq. ft. x 2.102 = 525,500 sq. ft.

Retail: 350,000 sq. ft. x 2.102 = 735,700 sq. ft.

Hotel: 500,000 sq. ft. x 2.102 = 1,051,000 sq. ft. (2,102 rooms)

In other words, this analysis uses relationships that suggest that an office project of 525,500 square feet would generate demand for a child care center for 75 children. For the same size child care center, a retail and/or entertainment project would need to be 737,700 square feet, or a hotel of a little over 2,000 rooms.

Other ways of expressing the relationship are as follows:

- Office: 1 child care space per 7,007 sq. ft. building area or 0.000143 child care space per square foot building area.
- Retail: 1 child care space per 9,809 sq. ft. building area or 0.000102 child care space per square foot building area
- Hotel: 1 child care space per 14,013 sq. ft. or 0.000071 child care space per square foot building area

Another application relates child care center space to project area space. It is recalled that the average child care center is 70 sq. ft. of building area per child. If the 75-space child care center is for an office building of 525,500 sq. ft., the child care center size requirement is 5,250 sq. ft. (75 x 70 sq. ft. per space) or roughly 1% added to the building area. For the three building types, the ratios are as follows:

Office – 1%

Retail – 0.7%

Hotel – 0.5%

In summary, child care center demand conclusions can be used to relate child care center space to commercial projects for other purposes, such as negotiating Development Agreements.

TABLE 11**COMMERCIAL BUILDING ACTIVITY IN SANTA MONICA
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA**

ANNUAL COMMERCIAL BUILDING ACTIVITY (SQUARE FEET)¹

	<u>Hotel</u>	<u>All Other Commercial</u>	<u>Total</u>
1990	0	90,000	90,000
1991	0	224,359	224,359
1992	0	10,904	10,904
1993	0	10,652	10,652
1994	0	91,522	91,522
1995	0	92,881	92,881
1996	0	15,192	15,192
1997	0	27,031	27,031
1998	0	400,198	400,198
1999	0	580,816	580,816
2000	39,381	53,872	93,253
2001	0	67,209	67,209
2002	<u>0</u>	<u>54,553</u>	<u>54,553</u>
Total	39,381	1,719,189	1,758,570
1990-1999			
Total	0	1,543,555	1,543,555
Average	0	154,355	154,355
1995-2000			
Total	39,381	1,169,990	1,209,371
Average	6,564	194,998	201,562
1990-2002			
Total	39,381	1,719,189	1,758,570
Average	3,029	132,245	135,275

¹ Data provided by City staff on March 10, 2003 and is based on building permit activity. Includes large projects subject to development agreements.

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SECTION V – SUMMARY OF LINKAGE ANALYSIS AND CONCLUSIONS

Section V summarizes the child care linkage fee analysis described in Sections I–IV. Those sections explain the multi-step analysis undertaken to quantify the demand for child care by employees in Santa Monica and the costs to mitigate child care demand, in terms of the provision of new child care center spaces. The analysis is conducted for a “universe” of 1,000 employees for ease of understanding and avoidance of awkward fractions associated with an analysis on the per employee or per household level. The findings of the demand analysis and linkage costs are summarized below.

A. Demand Analysis

The demand analysis estimates the number of children who require child care for a given universe of 1,000 employees. Demographic information is drawn from the U.S. Census 2000 series for the County of Los Angeles, since workers in Santa Monica come from the larger area.

- From a universe of 1,000 employees, there are 694.11 employee households, reflecting the fact that most households contain more than one worker or employee.
- In the 694.11 employee households, there are 183.18 children age five and under (actually half of all five year olds).
- Of the 183.18 children age five and under, 140.21 need child care due to the situation that all parents in the home are working.
- Of the 104.21 children needing child care, the demand for spaces in child care center facilities is 47.57 spaces (14.85 infant and toddler spaces and 32.72 pre-school spaces), based on national surveys for children of these age groups.
- National surveys suggest that 75% of demand for child care center space for preschool children is for centers located near the parent’s workplace. As a result, the demand for spaces in child care centers located near the workplace is 35.68 spaces (11.14 infant and toddler spaces and 24.54 preschool spaces).

The conclusion of the demand analysis is that for 1,000 employees, the demand for spaces in child care centers near the workplace is 35.68 spaces.

B. Mitigation Costs Analysis (2005)

The mitigation costs analysis estimates the cost of providing new child care spaces in Santa Monica and then translates these costs into total linkage costs.

- A prototypical child care center and its development cost in Santa Monica was analyzed. In addition, cost experience was drawn from a survey of other West Los Angeles Area child care centers. The finding is that the cost to develop a new child care center in Santa Monica in 2005 is approximately *\$18,500 per space without land, or \$55,400 with land or, averaged together, \$36,950.*
- The total mitigation cost for 1,000 employees is calculated by multiplying the number of child care center spaces in demand (35.68) by the cost of development per child care center space:

$$35.68 \times \$36,950 = \$1,318,380 \text{ for 1,000 employees}$$

The mitigation cost allocated to each of the 1,000 employees is \$1,318.

- Further analysis relates the per-employee cost to building space based on density of employment. Since density varies by type of building and the activity within it, there are different density factors for each of the three building types:

Office	250 sq. ft. per employee
Retail	350 sq. ft. per employee
Hotel	500 sq. ft. per employee

When the cost per employee is divided by the number of square feet per employee, the result is a cost per square foot of building area as follows:

Office	\$5.27 per sq. ft. ($\$1,318 \div 250$)
Retail	\$3.77 per sq. ft. ($\$1,318 \div 350$)
Hotel	\$2.64 per sq. ft. ($\$1,318 \div 500$)

These costs per square foot express the cost to mitigate the demand for space in child care centers through the construction of new child care center spaces in Santa Monica. These are the total linkage costs and represent a ceiling below which fees may be set.

SECTION VI - MATERIALS TO ASSIST IN DESIGNING A FEE PROGRAM FOR SANTA MONICA

A. Overview

This section provides information to assist policy makers in selecting an appropriate Child Care Impact Fee level and mitigation program for Santa Monica. As indicated at the end of the previous sections, the linkage analysis establishes maximum supportable fee levels.

Recognizing a variety of City objectives, policy makers may set the fee or other obligations at any level below the maximum.

The conclusions of the analysis on child care linkage costs for three types of commercial projects discussed in Section V are restated below. These are the maximums below which fee levels may be considered for different buildings:

Office – \$5.27 per square foot
Retail/Entertainment – \$3.77 per square foot
Hotel – \$2.64 per square foot

1. Thresholds and Exemptions

Before evaluating alternative fee levels, it is helpful to recognize that a linkage fee program and governing ordinance may contain features to address specific concerns and policy objectives. The most important features are minimum size thresholds and exemptions.

A minimum size threshold sets a project size over which fees are in effect and exempts or reduces fees on smaller projects. Very large cities with high fee structures (multiple fees at substantial levels) tend to set thresholds at the 25,000, 50,000 or even 100,000 square foot level. Smaller cities typically establish thresholds at 10,000 or 25,000 square feet. Some programs have no thresholds. For consistency, Santa Monica may want to consider a threshold that is the same as for other development standards or fees. The Development Review threshold is currently 7,500 square feet. The Housing and Open Space Fee reduces the fee for the first 15,000 sq. ft.

A number of policy objectives can be accomplished through the minimum thresholds. If there are older commercial areas for which small-scale infill is a City objective, a minimum threshold will avoid or reduce the cost for small projects. If mixed-use projects are being strongly encouraged, again a minimum would benefit many such projects.

Exemptions of several sorts can also be added to the program. Specific geographic areas are sometimes identified as warranting special treatment by the City or specific building types may be exempted.

Finally, it should be noted that the ordinance will likely contain a provision to address demolition of existing structures, recognizing that the prior structure had child care impacts and the replacement structure should only address net new impacts. Similarly, when very low employment density type structures are renovated for newer higher employment density activities, adjustments are in order. The classic example is the warehouse that is renovated for an office or film production activity.

B. Other Santa Monica Impact Fees and Total Development Costs

Policy makers usually wish to consider the design and level of a new fee in the context of existing fees already in place and in the context of total development costs within the jurisdiction. This section briefly summarizes Santa Monica impact fees and development costs, particularly land, within the city and evaluates the relationships.

1. Other Impact Fees

The City of Santa Monica was one of the first in the State to adopt a jobs housing or affordable housing impact fee and also an open space impact fee. These were adopted in 1984 and have been adjusted periodically since then using a Consumer Price Index. The fees apply to office projects only. The fee level is quoted as a single fee and, as of the date of report preparation (2005), is as follows:

- \$4.37 per square foot for the first 15,000 square feet; and
- \$9.72 per square foot in excess of 15,000 square feet.

In addition, the City has a "fee" schedule to cover a broad range of planning and processing services associated with the development process. These are not impact fees per se, but are noted because they are reportedly high relative to other cities and do add to the costs of development in Santa Monica.

A child care fee would be an impact fee similar to the affordable housing and open space fee and in addition to the levels noted above.

2. Land Costs in Santa Monica

A brief discussion of land costs in Santa Monica as a key component of total development costs is relevant because, in theory, land value adjusts downward to reflect the added cost burden imposed by the City. Most development costs, such as hard construction costs, and most

-
- indirect and financing costs are relatively fixed, or not subject to adjustment as a result of local policies. Land value is the variable in the development equation that adjusts to reflect the income capacity of market forces, given the fixed costs of development. Rents and building values generally act independent of costs of development. They are driven by the market attraction of the location and the strength of the regional economy. If costs are increased as a result of a local fee, land values are theoretically decreased by a corresponding amount.

The relationship between the fee cost and the land value is a function of the project density or Floor Area Ratio (FAR). With an FAR of 1:1, the building area square footage is equal to the site area. A building with an FAR of 2:1 is a building with twice the floor area as the parcel size, meaning the fee impact theoretically is doubled in its diminution of land value. Most commercial or mixed-use projects in Santa Monica are developed to an FAR in excess of 1:1. (Usually parking is kept out of the equation — impact fees are not charged on structured parking square footage and parking is not counted in the FAR.)

The word “theoretically” is dispersed throughout the discussion. In the real world, other forces, most particularly market demand, drive land values far more powerfully than do fees. Land values have escalated substantially since the mid-1990s and despite the recession in office markets, land values have not come down in locations such as Santa Monica.

To obtain an overview of values in Santa Monica, KMA considered several sources. KMA obtained data on 15 land purchase transactions, which have occurred since late 1999. These transactions covered all areas or zip codes of the City. In addition, KMA talked with the City about general conditions and trends. From this limited investigation, KMA concludes that land values are predominantly over \$100 per square foot and in some locations over \$200 per square foot. The low end of the range for properties without significant problems is around \$80 per square foot. (2003)

At \$100 per square foot each dollar of impact fee is a 1% impact on land value at a 1:1 FAR and 2% at a 2:1 FAR. Areas with a development potential of higher than 2:1 FAR due to zoning have land values considerably over the \$100 average used in the example. As a result, the impact of each dollar of fee is probably no greater than 2% of land value at any location in Santa Monica.

Finally, as an observation, Santa Monica may be a city with a high fee structure (both impact fees and processing fees), but it is also a city with a very high land value structure. There is no evidence that the fee structure thus far has had a depressing impact on land values. It is likely that the development community views other difficulties in pursuing development projects in Santa Monica, such as limited land, as being more significant and more costly than the fees.

3. Total Development Costs

Total development costs for all types of projects in Santa Monica are higher than in most other portions of the metropolitan area for a combination of reasons.

- The land cost structure reflecting the high desirability of virtually all locations in Santa Monica and the strong market conditions and income capacity resulting there from.
- High construction costs resulting from most projects being built at urban type densities on sites of constrained size. Staging areas for construction are also minimal, adding to costs.
- Parking requirements, which in combination with the density and land costs, means virtually all parking is now located in structures of one sort or another, often subterranean.

As a result of these factors, it is virtually impossible to complete a development project for less than \$300 per square foot "all inclusive." This cost is inclusive of land, construction, site costs, and all indirect costs including financing in 2003. Average development costs "all inclusive" generally fell in the \$300 to \$400 per square foot range.

In the context of total development costs, each dollar of impact fee has a minor impact — under 0.35%.

To restate KMA's conclusion on land values: market pressures have a far greater impact on land values than fees in the Santa Monica real estate market. According to the Housing Element, land costs escalated 31% to 56% during the 1997 to 1999 period alone, and land costs have continued to rise since that time. A child care fee would not be of a magnitude to significantly alter land values in Santa Monica.

C. Child Care Linkage Programs in Other Jurisdictions

It is always of interest to decision makers to know what other cities and counties have in place in the way of similar programs. KMA assembled information on child care linkage programs in California and elsewhere, following a search using the internet, the California League of Cities, and other sources such as a State Housing and Community Development publication entitled *Pay to Play*.

The chart, Table 13 at the end of this section (updated for 2005), summarizes the major provisions of ordinances in 15 California jurisdictions plus a specific plan area. Some of the main points of interest are:

- All of the jurisdictions with the exception of West Hollywood and Palm Desert are in northern California.
- The highest fee level in California on non-residential construction is in Palm Desert, at \$1.15 per sq. ft. for office space, adopted in 2005. San Francisco, Berkeley and San Mateo all have fees of \$1 per sq. ft. The next highest is Martinez at \$0.85, followed by West Hollywood at \$0.65. All others are lower yet.
- Many programs have a parallel charge on residential construction.
- A few programs also fund operating expenses and subsidies for lower income families.
- Most programs have thresholds and exemptions of some sort.
- Seattle has a recently adopted a child care linkage program which only applies to the downtown area, and only to large hotels and office projects. The charge is \$3.25 per square foot on the bonus area (above a base FAR) or equivalent to \$1.50 to \$2.00 if applied over the total building area.

KMA is familiar with several jurisdictions that are considering adding a child care linkage program and of those that have them now, some will be doing an update within the next few years. None of the programs have been challenged in court, to KMA's knowledge.

D. Child Care Fee Collection Projection

Policy makers and planners like to have information on the approximate amount of funding a program will generate, given certain assumptions. This can be done by examining the annual level of construction activity and projecting it forward to determine funding for each dollar of fee.

1. Commercial Construction

Santa Monica is a built-out city without a substantial amount of construction activity, residential or non-residential. City staff assembled data on commercial construction every year since 1990 (Table 11). This information was presented in Section IV. Commercial construction averages for various timeframes since 1990 are as follows:

	<u>Non-Residential</u>
1995-2000	201,562 sq. ft./yr.
1990-1999	154,562 sq. ft./yr.
1990-2002	135,275 sq. ft./yr.

For purposes of looking forward, generally the longer timeframe provides a more useful average. The 1990s decade was a particularly good decade for projection purposes because during the first half of the decade the economy was in recession and the second half of the decade was a period a vigorous expansion. Since 2000, the office market has been in recession, so for purposes of projection, KMA believes 150,000 sq. ft. per year is a good average.

In Santa Monica very large projects are typically negotiated with the City and become subject to Development Agreements. Of the approximately 1,760,000 sq. ft. developed since 1990, over 700,000 of it was in Development Agreement projects. Without these projects, the average activity would drop to around 77,000 sq. ft. per year. For projection purposes, KMA would argue that much of this activity probably would have happened in other projects and further, looking ahead, Santa Monica will probably have at least one or two large Development Agreement projects per decade on average.

KMA recommends a projection range of 100,000 to 150,000 per square foot per year. From there one can examine the amount generated for every dollar of fee, or say, a \$1, \$3 and \$5 per square foot fee range.

	<u>\$1 Fee</u>	<u>\$3 Fee</u>	<u>\$5 Fee</u>
100,000 sq. ft. per year	\$100,000	\$300,000	\$500,000
150,000 sq. ft. per year	\$150,000	\$450,000	\$750,000

Working from the mid ranges of both fees and construction activity, KMA brackets the proceeds from the program at roughly \$250,000 to \$450,000 per year.

The above projection range implies two major conditions:

- That the fee will be applied to all commercial type construction — office, , retail, entertainment, hotel, etc. This is not consistent with the current housing and open space fee.
- That the fee program will not include exemptions or reductions for smaller projects. Again, the City's other impact fee programs do include reductions.

2. Fund Capacity vs. Costs

On an order of magnitude level, it is helpful to look at the probable linkage program fund in light of linked child care costs, or in this case, child care center facility costs. It was established that the average cost per child care center space is \$36,950 on average. (2005)

If an adopted linkage program generates \$250,000 to \$450,000 per year, then roughly ten new child care center spaces could be developed each year. Or, if the desired size of a child care center is 75 children, the City could fund development of a new center every seven or eight years.

E. Santa Monica Development Agreements – Child Care Provisions

The City of Santa Monica has negotiated with the developers of large projects over the past 20 years for child care payments or other provisions as part of the condition of approval for the project. Commencing with the Colorado Place agreement in 1981, the City has worked out child care mitigations on seven large scale projects.

The chart at the end of this section (Table 14) summarizes the seven agreements. It appears that four agreements have called for the provision of a child care centers of varying sizes:

- National Medical Enterprises (now MTV) project – 60 child care spaces
- Colorado Place – a 2,000 sq. ft. child care center (about 28 spaces)
- Water Garden – 3,500 sq. ft. initially, 7,000 sq. ft. by later phase (about 100 child care spaces)
- Saint John's Hospital Expansion – a center for 49 children of which 21 must be infants/toddlers

In addition, the Rand Corporation agreement calls for an expenditure of \$500,000 toward a child care center.

Most of the agreements specify that the project will give first preference to employees and/or tenants. A second priority for enrollment is City residents. The Water Garden and Saint John's require that a portion of spaces (10% and 25% respectively) be made available to the children of lower income families.

These development agreements represent individual negotiations independent of a City policy or program to guide consistency of requirement. As such, they provide little guidance for future development agreements other than the precedent for requiring a child care mitigation in concept.

F. Recommendations for a Child Care Linkage Fee Program for Santa Monica

Drawing from the findings of the linkage analyses and from the materials in this section of the report, the following findings listed below are offered as a guide:

-
- The maximum child care fee levels supported by the linkage analysis are as follows:

Office - \$5.27 per square foot

Retail/Entertainment - \$3.77 per square foot

Hotel - \$2.64 per square foot

- The fee levied by the City should be under the maximum amount supported by the analysis. KMA always recommends a margin to allow for minor changes in conditions, different findings from new surveys, or other adjustments that might invite challenges to the fee level. With a margin, challenges are discouraged.
- Based on the high land value structure in Santa Monica and high costs of development, fees at virtually any level below the maximums established by the linkage analysis will have only a negligible impact on development costs and land values and will not significantly alter development attraction in Santa Monica.
- Given the low volume of commercial development activity in terms of new square footage added each year, fees should be at least \$2.00 per square foot in order to accumulate enough funds to follow through on the purpose of the fee — to increase the supply of child care center spaces in Santa Monica.
- For consistency, the City may wish to use the 7,500 sq. ft threshold for Development Review or the 15,000 sq. ft threshold for the office Mitigation Fee. Alternatively, the City may wish to reevaluate all thresholds in light of the average size of projects processed through the City and consider a different level to capture more activity.
- KMA recommends that the Child Care Fee be applied to all commercial projects and that the City reevaluate expanding its Office Mitigation Fee to similarly include retail and hotel type projects. Retail and hotel projects are notably intensive in very low paying jobs.
- KMA recommends that the ordinance include a provision for building child care center spaces as an alternative to paying a fee. The build option could include contributing to a child care center being developed by other sponsors, profit and/or non-profit. Rehabilitation of existing buildings for child care centers should also be permitted within such an option. The build option should be in similar proportion to the linkage finding as the fee is to the linkage maximum.

TABLL
CHILD CARE LINKAGE PROGRAMS IN OTHER JURISDICTIONS
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA

Jurisdiction	Year Adopted	Current Fee Levels	Exemptions ¹	Build Option/ Other	Fee Uses	Comments
City of West Hollywood	1989 (updated 2001)	\$0.65 / sq ft non-res	<10,000 sq ft	Provide 1 sq ft indoor space per 470 sq ft new commercial floor area plus 1 sq ft outdoor space per 219 sq ft. (Min total 2,100 sq ft indoor & 4,500 sq ft outdoor space).	Provide new child care spaces via new construction, expansion and/or lease.	Goal to construct 7,665 sq ft of indoor & 16,425 sq ft of outdoor child care space over 20 years. Construction includes extensive rehab (50% of replacement value). Commercial development fee also required for affordable housing, public open space and transportation facilities.
City of Palm Desert	2005	\$1.15 / sq ft office \$0.90 / sq ft comm'l \$0.77 / sq ft hotel \$0.47 / sq ft business parks & light industrial	Does not specifically exempt schools, non-profits, or public property.	Provide facility sufficient to satisfy their generated impact.	New child care spaces via new construction or expansion. Improvements to existing child care spaces.	
City and County of San Francisco	1986	• \$1 / sq ft office and hotel in downtown	< 50,000 sq ft < 6 hotel rooms	Provide on-site facility (min 3,000 sq ft) to be operated by nonprofit at no cost. On-site facility size 1% of project building area.	Increase supply of facilities to low and mod income households. (25% of funds to provide subsidies for first 3 years)	Large office projects must provide on-site referral/placement services.
City of South San Francisco	2001	• \$1,736 / unit SF • \$1,630 / unit medium density • \$1,624 / unit high density • \$0.60 / sf commercial/retail • \$0.50 / sf R&D office • \$0.16 / sf hotel • \$0.47 / sf other non-res.	Affordable housing and senior housing may apply for a waiver. No other exemptions. Additions <1,000 sf exempt.	May provide facility.	Establish new childcare spaces.	The city's goal is to satisfy fifty percent of the city's existing and future childcare needs by the year 2020 (4,784 additional childcare space, of which 1,176 are associated with new development and will be funded by the fee).
City of Berkeley	1992	• \$1 / sq ft office/retail • \$0.50 / sq ft industrial Intensified use (per net new employee; not to exceed \$1/ sq ft for total project size) • \$525 / new office empl • \$615 / new retail empl • \$500 / new industrial empl (not to exceed \$0.50 /sq ft)	<7,500 sq ft Exempts South Berkeley Target Area	May provide on-site project. Fee will be dedicated to the child care operator at the specific site, in return for req. subsidized spots with priority to project's new employees	Provide subsidies to residents with income <60% Area Median Income.	Non-profit and public sector spaces are not exempt.

¹ Unless otherwise noted, ordinance exempts child care or school facility, non-profit or public property, senior or affordable housing and repairs, replacements or additions if a new bedroom is not created.
Abbreviations: SF – Single family; MF – Multi-family; Sq ft – Square feet; Res - Residential
Prepared by: Keyser Marston Associates, Inc. 19305.005\001-016

**TABLE 13
CHILD CARE LINKAGE PROGRAMS IN OTHER JURISDICTIONS
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA**

City of Martinez	1990	<ul style="list-style-type: none"> \$830 / unit SF \$221 / unit condo \$166 / unit apt \$0.85 / sq ft office \$0.29 / sq ft retail \$0.36 / sq ft manuf \$0.45 / sq ft comm. service 	See footnote	May pay fee equal to land and construction cost. Min. size of 110 sq ft land per space and 35 sq ft bldg area per child (excl. common area).	Targets assistance for infants and after school care.	
City of Davis	1990	<ul style="list-style-type: none"> \$100 / res unit \$0.005 per sq ft industrial / commercial \$0.015 per sq ft for all other commercial uses 	Also agricultural uses	Provide construction costs or land. Receive credit for future dev if exceed req.	Loans and land. Prohibits on-going operating and general maintenance expenses. Age target 0-12 years old	
County of Contra Costa	1988	N/A (res and non-res must provide child care facility)	<30 res units (excl studios and 1 bdrms) <100 employees OR <15,000 sq ft non-res	Provide facility on- or off site	Increase and/or supply facilities	Developer must provide child care survey to assess child care needs caused by project and a mitigation plan
County of Santa Cruz	1991	<ul style="list-style-type: none"> \$328 / unit SF \$0.328 / sq ft SF addition (between 500-1,000 sq ft) \$108 / unit MF \$0.108 / sq ft MF addition \$0.12 - \$0.23 / sq ft non-res use 	Also agriculture uses	Provide facility on- or off site. Dedicate land to County or nonprofit to develop child care facility Subdivisions with < 19 units may only pay fee	Grants or loans to purchase, construct or rehab facility.	Targets preschool and school age thru 12 th grade. Admin costs limited to 7% of fund.
City of Concord	1985	<ul style="list-style-type: none"> 0.5% of total development costs for non-res uses 	< \$40,000 bldg. permit value	Provide on-site facility or contribute to non-profit provider facility. Receive credit for future dev if exceed req.	"Child Care Alliance for Resource and Development" allocates funds for direct subsidy, training, loans and after school rec program.	
City of San Ramon	1988	<ul style="list-style-type: none"> \$210 / unit plus 5% of total res fee \$0.10 / sq ft plus 5% total non-res fee Mixed use - apply fee for each use plus 5% total fee 	< 1 bedroom or 2 nd unit <2,500 sq ft non-res space	Provide facility	Provide school age child care on school sites owned by San Ramon USD according to need	

¹ Unless otherwise noted, ordinance exempts child care or school facility, non-profit or public property, senior or affordable housing and repairs, replacements or additions if a new bedroom is not created.

Abbreviations: SF – Single family; MF – Multi-family; Sq ft – Square feet; Res - Residential

Prepared by: Keyser Marston Associates, Inc. 19305.005\001-016

TABL
CHILD CARE LINKAGE PROGRAMS IN OTHER JURISDICTIONS
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA

City of Danville	1989	<ul style="list-style-type: none"> • \$335 / unit SF • \$115 / unit MF • \$0.25 / sq ft non-res uses 	<p>SF remodels 2nd units</p> <p>< 2,500 sq ft non-res</p>	Must provide facility if res project exceeds 50 units	In priority: School age facilities in elementary schools. Purchase land to develop pre- or school age facilities	Goal to achieve ratio of 1 child care space per 40 Town residents. Fee applies building conversions and expansions
City of San Mateo	2004	<ul style="list-style-type: none"> • \$1.00/ sq. ft non-res. uses 	<10,000 SF.		Fund new facilities; joint venture with non-profits; provide low or no interest loans.	Fee applies to new construction and tenant improvements.
City of West Sacramento	2003	<ul style="list-style-type: none"> • Res: \$50/ unit (<600Sq Ft) • \$150/unit (601-1000 Sq Ft) • \$250/unit (1001-1400 Sq Ft) • \$400/unit (>1400 Sq Ft) • \$0.40 / sq ft office • \$0.30 / sq ft retail • \$0.12 / sq ft industrial • \$0.12 / sq ft hotel 	Not currently specified.	Provide facility on-site or off-site; may donate land; may provide financial assistance for new facility; combination of the above.		
City of Los Angeles (Central City West Specific Plan)	1991	<p>Commercial/industrial must provide facility with min size req:</p> <ul style="list-style-type: none"> • 40,000–99,999 sq ft reqs 2,000 sq ft facility • 100,000–499,999 sq ft reqs 4,000 sq ft facility • 500,000–999,999 sq ft reqs 8,000 sq ft • 1 mil+ sq ft reqs 12,000 sq ft 	<40,000 sq ft	<ul style="list-style-type: none"> • On-site facility req if bldg <500,000 sq ft • 500,000–999,999 sq ft may provide one on- and one off-site location within ½ mile • 1mil+ sq ft may have 3 locations, with at least one 4,000 sq ft on-site, remainder within ½ mile 	30% of slots reserved for low and very-low income households who live within Specific Plan area	May combine with other facilities
City of Seattle (Downtown only)	2001	\$3.25 per sq ft bonus areas on office and hotel. Equates to \$1.50-\$1.75 on total bldg. area.	N.A. Program only applies to large projects.	May build; each sq ft bldg. area .000127 child care spaces	Build new facilities and existing City subsidy program	Linkage program applies only to portion of bldg. over base entitlement. Analysis based on cost of child care centers and City subsidy program.

¹ Unless otherwise noted, ordinance exempts child care or school facility, non-profit or public property, senior or affordable housing and repairs, replacements or additions if a new bedroom is not created.

Abbreviations: SF – Single family; MF – Multi-family; Sq ft – Square feet; Res - Residential

Prepared by: Keyser Marston Associates, Inc. 19305.005\001-016

TABLE 14
 MAJOR PROJECTS IN SANTA MONICA
 DEVELOPER AGREEMENTS WITH CHILD CARE OBLIGATIONS
 CHILD CARE LINKAGE PROGRAM
 CITY OF SANTA MONICA

PROJECT BACKGROUND		CHILD CARE OBLIGATIONS					NOTES	
Project Name/Developer	Development Agreement Year	Development Program	Child Care Center Size	Tuition	Required Costs/Contributions	Enrollment Eligibility		
						Preference	Income	
Colorado Place I & II MGM current occupant	1981	900,000 sq ft office	Interior: 2,000 sq ft; Approx. 28 spaces*		Max \$6,000 for improvements			Annual operator lease payment is \$1. Current operator: Hill & Dale
National Medical Enterprises (NME) MTV current occupant	1982 (amended 1987)	312,000 sq ft office & 30 res units	60 spaces; must provide some infant care		Provide indoor furnishings and equipment or pay City (\$2,000 min). Outdoor furnishings \$3,000	1st Employees and tenants; 2nd City residents	"Affordable" child care to any income employee	Annual operator lease payment \$1. Minimum occupancy requirement is 85%. Current operator Evergreen
Arboretum Southmark Pacific Corporation	1987	1 M sq ft supermarket, office & res			\$250,000 (min. \$50,000 annual)?			Funds must primarily meet child care needs of Pico and Mid City neighborhoods.
Water Garden JH Snyder Co.	1988	1 M sq ft office, medical, health club & retail	Interior: 3,500 sq ft; Exterior: 3,500 sq ft; must provide some infant care			Employees. 10% of spaces reserved for designated neighborhood residents.	10% income qualified to pay 60% of market rate tuition based on need	Current Operator: Cornerstone
St. John's Hospital	1997	900,000 sq ft hospital expansion	49 full day spaces (Min 21 infant/toddler spaces)	Tuition may not exceed tuition for full day non-profit programs in Santa Monica with comparable quality/services		1st Employees and tenants; 2nd City residents; 3rd Employees in the City	Tuition for lower income family not to exceed 25% of market rate	Minimum occupancy requirement is 85%. Project Phase II demand-provide expanded program on or off campus. Current Operator: St. John's
Rand Corporation (replacement and expansion project)	2000	500,000 sq ft office	Infants thru preschool	25% of annual disbursement to provide subsidy on sliding scale. Lowest income has first priority.	\$500,000 for future development of a child care center?	1st Employees and tenants; 2nd City residents		Lab school for early childhood development activities

*Estimate based on other information.

Each agreement requires developer to provide an implementation plan and includes provisions for operator successor process.
 Each program must comply with State requirements.

APPENDICES A, B, C, D

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APPENDIX A
GLOSSARY OF CHILD CARE AND DEVELOPMENT TERMS

A/E (also A&E) – Architect/Engineer. Common abbreviation for the architects and engineers (including mechanical, electrical, structural and civil engineering consultants).

Building Coverage – See Floor Area Ratio.

Building Permit – The local government’s demonstration that it has reviewed development plans for compliance with local codes and given permission for construction to proceed.

California Education Code – Sections of the California Education Code pertain to child care and development programs serving children part day or full day. Specifically, Section 8208 address programs that offer a full range of services for children from infancy through age 13, for any part of a day, by a public or private agency, in centers and family child care homes. Section 8263 clarifies child eligibility for state subsidized child care and development services.

Capital Cost – Money spent to improve a property and enhance its value over an extended period of time (as opposed to a repair).

Capitalization Rate – A discount rate (expressed as a percentage) used to determine the present value of a stream of future income (or expenditures). For instance, to establish a reasonable purchase price for a given investment property, investors, lenders and appraisers may utilize a capitalization rate to discount a stream of future rental income.

A capitalization rate was utilized in the Child Care Linkage Fee Analysis for the purpose of estimating a one-time charge to address the impacts of new development over the life of a building. As such KMA capitalized the City’s annual child care and youth expenditures at a rate of 10%. This rate is within the finance industry’s acceptable range.

CCR – California Code of Regulations.

Child Care Center – Any child care facility of any capacity, other than a family child care home, in which less than 24 hour per day non-medical care and supervision are provided to children in a group setting in accordance with CCR, Title 22, Section 101152. In Santa Monica, the Santa Monica-Malibu School District (SMMUSD) runs full time and part-time centers for pre-schoolers (Child Care in Santa Monica, September 2000.)

Child Care Linkage Fee – A linkage fee to mitigate the impacts on child care demand associated with building development and new workers or residents.

Construction Cost – The cost of constructing the building, including all direct costs of construction, plus contractor's profit and general conditions.

Child Care Recreation, Enrichment, Sports Together (CREST) – Eight after-school programs jointly administered by The Santa Monica-Malibu School District and the City of Santa Monica for school age youth.

Development Agreement – A legal contract between a public agency and a developer that includes conditions and terms for the development of a project.

Development Cost – The sum of all costs for planning, administration, site acquisition, relocation, demolition, construction, tenant improvement allowance and equipment, all financing related costs, on-site streets and utilities, a contingency allowance, insurance premium, any off-site costs required, any initial operating deficit, and all other costs necessary to develop the project.

Direct Costs -- Costs directly related to the construction of a project, including site acquisition, demolition, construction, tenant improvements, landscaping, etc.

Employee Density Factor – A measure of the average building space occupied by a single employee. Calculated by dividing the total building area by the total number of employees employed in the building.

Family Child Care Homes (FCCH) – Child care facilities operating out of individuals' homes. They are categorized as either small (serving up to 8 children) or large (serving between 9 and 14 children). FCCHs can serve a combination of pre-schoolers (including infants) and school age children.

Floor Area Ratio (FAR) – A comparison of the total area of a building with the total area of the land upon which it stands. Maximum or minimum FARs may be established by local zoning codes.

Federal Poverty Level – A minimum income level below which a household is officially considered to lack adequate means for subsistence and to be living in poverty. The U.S. Department of Health and Human Services annually updates the poverty guidelines by the Consumer Price Index.

Housing Element – One of the mandatory elements of a General Plan of a City or County, the Housing Element identifies the needs and present options for the production of housing in a community.

Impact Fee – Charge levied on developers by local government to pay for the cost of providing public facilities necessitated by a given development or to otherwise lessen the negative impact of development upon the public. Also referred to as an exaction or governmental fee.

Indirect Costs – Costs not directly related to construction, e.g., leasing and brokerage commissions, marketing costs, design and other professional service costs, property taxes during construction, development management and governmental fees and financing costs (e.g. loan points, interest expense). Also known as “soft costs.”

Infant – Children from birth to two years (CCR, Title 22, Section 101152). However, for purposes of their programs, Santa Monica recognizes infants as children from birth to one year.

Licensed Child Care – Child care programs in a center or provider’s home which follow state regulations for staff-to-child ratios, education standards, program structure and facilities. Programs are regulated by the Department of Community Care Licensing in the California Department of Social Services (CCR, Title 22, Section 10152) or administered under the State Department of Education under Title 5 of the CCF.

Mitigation Fee Act, AB 1600 – Legislation that amended California Government Code, Section 66000, requiring that local government demonstrate a linkage between the amount of a fee, the fee’s purpose, and the type of development on which the fee imposed.

P.S.F. – Per Square Foot

Pre-school Programs – In Santa Monica, pre-school programs serve children from two to five years. Includes subsets of children of different ages with different state regulations associated with them. (Child Care in Santa Monica, September 2000)

Pre-schooler – According to the Health and Safety Code, pre-school children are children who are not infants, toddlers, or school age (Section 1597.059).

Project Cost – See Development Cost.

Rehabilitation – The improvement, alteration, modernization or modification of an existing structure to make it safe, sanitary and decent and/or to bring it up to Building Code Standards.

Santa Monica Programmatic Costs/Santa Monica Scholarship Programs – Funds available to help lower and moderate income households residing in Santa Monica to meet their child care needs (Connections for Children Program and The Growing Place).

School Age Children – Children of kindergarten age through grade five. (Child Care in Santa Monica, September 2000).

Toddler – A child between the ages of 18 months and 30 months (CCR, Title 22, Section 101152).

Total Development Costs – See Development Costs.

Universe of Employees – A grouping of individual employees for analysis purposes. In this analysis the “universe” of employees is comprised of 1,000 employees.

APPENDIX B - THE DEMAND FOR CHILD CARE ASSOCIATED WITH RESIDENCES

This appendix provides an analysis of the linkage between residential development and child care demand, similar to the analysis provided in Section II of the main report on workplace building construction and child care demand. This analysis is in the appendix because KMA recommends that the City not proceed with a child care impact fee on residential development at this time.

A. Santa Monica Residents – Demographic Profile and Growth

A first step before embarking on the residential demand analysis is to review the demographic profile of Santa Monica residents. The data source is the U.S. Census 2000 series for the City of Santa Monica. Santa Monica demographic characteristics are appropriate for describing households and the propensity to have children in them, whereas for workplace buildings one could look to the characteristics of the greater Los Angeles area because only a small share of those who work in Santa Monica also live there. Santa Monica characteristics are notably different from the larger Los Angeles area. Some of the highlights presented in Appendix Table B-1, at the end of this section, are:

- Only 16.8% of Santa Monica households contain children under age 18. (This may be compared to over 41% for Los Angeles County.)
- Fewer than 5% of Santa Monica households contain children of preschool age.
- Santa Monica did not experience growth in population or households over the 1990 to 2000 decade.
- Overall the number of children under age 18 in Santa Monica grew slightly over the decade, by about 5% (from 11,977 to 12,314).
- Santa Monica had fewer children under age 5 in the year 2000 than it did ten years earlier.

These statistics may be restated without the figures as follows:

- Santa Monica is a city with far fewer children on average compared to the larger Los Angeles area.
- There is no significant growth in the number of children and an actual decrease in the number of very young children (age 0-5).

A description of the demand analysis associated with households is provided in the next pages.

B. 100 Households – Children Needing Child Care

Like the workplace analysis, which utilizes a universe of 1,000 employees, the residential analysis works from a universe of 100 households in Santa Monica. Again, this approach is used to avoid having to describe children and child care demand in terms of fractional children carried to four or five decimal places.

Using Census findings, KMA developed factors to quantify the number of children by age group as relates to the type of child care service needed, for 100 households or 100 residential units (the difference between households and residential units being only a minor vacancy adjustment). Unlike the analysis of children of employees which is limited to preschool children, an analysis for residents can address children of all age levels for which the City provides care or assists with services for its residents.

The table below summarizes the incidence of children by age level and of children needing child care by virtue of parents being employed (two-parent households with both parents working and single-parent households with the single parent working). The last step adjusts for more than one child within the age group.

**Appendix Table B-2
Child Care Demand for Households with Children in Santa Monica**

Per 100 Households	Households by Age of Children					
	<u>0-2</u>	<u>3 and 4</u>	<u>5</u>	<u>6-12</u>	<u>13-17</u>	<u>Total</u>
Households with Children (Age 17 and under)						
Factor	2.99%	1.73%	0.91%	6.13%	5.06%	16.83%
Number	2.99	1.73	0.91	6.13	5.06	16.83
Households Needing Child Care (Parent(s) Employed)						
Factor	62.37%	62.37%	62.37%	73.00%	61.75%	
Number	1.87	1.08	0.57	4.47	3.13	11.12
Children in Employed Households Needing Child Care (Adjusts for more than one child in age group)						
Factor	1.09	1.06	1.03	1.06	1.11	
Number	2.03	1.14	0.59	4.73	3.46	11.95

Source: US Census, City of Santa Monica, 2000.

The conclusion is that for every 100 households, slightly under 12 children will have working parents and need child care or youth services, recognizing that "care" may not be an appropriate term for children over age 12.

C. How Child Care Needs are Met

The same national surveys and sources were consulted for this portion of the analysis as in Section II of the main report. Since there are no suitable surveys that allowed KMA to judge how the residents of Santa Monica might meet their child care needs in a different manner from the Country or State as a whole, KMA relied on the Urban Institute and UCLA surveys. Appendix Table B-3 restates from Section II the distribution of arrangements for child care by age of child:

**Appendix Table B-3
Primary Child Care Arrangements of Employed Parents**

	Age of Children		
	<u>0-2</u>	<u>3 and 4</u>	<u>5</u>
Per 100 Households			
Parent/Relative	54%	35%	38%
Child Care Center	22%	45%	40%
Family Child Care Home	17%	14%	11%
Before and After School	N/A	N/A	8%
Other	<u>7%</u>	<u>6%</u>	<u>3%</u>
	100%	100%	100%

Source: Urban Institute, *Primary Child Care Arrangements of Employed Parents: Findings from the 1999 Survey of America's Families*, Occasional Paper Number 59, May 2002.

For the purposes of this analysis and the City programs, the child care solutions of greatest interest are Child Care Centers and Family Child Care Home (FCCH) arrangements. The following findings from national surveys provide confirmation that demand for these two arrangements is probably higher in Santa Monica than for the State or County as a whole.

- Use of parents and relatives as a solution to child care decreases as household income increases. Based on the high income level in Los Angeles County compared to the U.S. as a whole, KMA estimates that far fewer families in Santa Monica use parents and relatives as a solution than the percentages indicated above.
- Use of center-based child care arrangements increases as household income increases.
- Use of "other" arrangements, which includes nannies and babysitters, is most expensive and, as would be expected, increases with household income.

As a result of the generally accepted findings from multiple surveys, it is likely that the use of parental and relatives arrangements are far fewer and "other" arrangements far greater than the average, but that the use of child care centers and FCCH's are probably akin to the national and State average, or higher.

Based on the above, KMA estimates the child care demand associated with 100 households in Santa Monica, as shown in Table B-4.

Table B-4
Child Care Demand by Type of Care in Santa Monica Per 100 Households

	Age of Children			<u>Total</u>
	<u>0-2</u>	<u>3 and 4</u>	<u>5</u>	
Children in Employed Households Needing Child Care (Table B-2)	2.03	1.14	0.59	3.76
Child Care Center				
Factor	22.00%	45.00%	40.00%	
Number	0.45	0.51	0.24	1.20
Family Child Care Home				
Factor	17.00%	14.00%	11.00%	
Number	0.35	0.16	0.06	0.57
Other				
Factor	7.00%	6.00%	3.00%	
Number	0.14	0.07	0.02	0.22

Sources: U.S. Census, Urban Institute, Primary Child Care Arrangements of Employed Parents: Findings from the 1999 Survey of America's Families, Occasional Paper Number 59, May 2002.

The conclusion of the above is that a universe of 100 households in Santa Monica is associated with the demand for 1.2 child care center spaces and 0.6 spaces in Family Child Care Homes.

D. Demand for Child Care Spaces Near Home

In Section II of the main report, KMA made an allocation of a Child Care Center to two generic locations — near place of work and near place of residence. The allocation for the preschool child was 75% near place of work, 25% near place of residence, based on findings from parent attitude surveys and other evidence.

At this point, to complete the analysis for demand for child care center spaces near homes in Santa Monica, KMA applied the 25% to the 1.2 children per 100 households.

- The conclusion is 0.3 child care center spaces per 100 households, or 0.003 per household.

E. Child Care Center Demand and Mitigation Costs

The cost to provide the 0.003 child care center space for each household in Santa Monica can be estimated following the cost analysis and methodology presented in the Report.

The conclusion of the survey and analysis (and 2005 update) for the cost of development of child care centers in Santa Monica is \$18,500 per space excluding land and \$55,400 per space including land. Applying the cost per child care center space to the 0.003 spaces per household results in a cost per household as follows:

Mitigation cost per household/residential unit, excluding land	\$56
Mitigation cost per household/residential unit, including land	\$166
Average	\$111

F. Households and Residential Construction Correlation

The profile of Santa Monica demographics from the 1990 and 2000 U.S. Census, presented as the beginning of this section found that:

- The number of households actually decreased over the period, going from 44,860 to 44,497 households over the decade.
- The number of children under the age of five decreased from 4,048 to 3,448.

Over the same time period, residential building permits issued by the City of Santa Monica indicate that over 2,600 new residential units were added (Appendix Table B-5). With these two data series there is no correlation between new residential construction and growth in households and increased child care demand.

There are a number of possible explanations for these two seemingly contradictory sets of data. Among the possible explanations:

- Household size is decreasing on average.
- The rate of children growing up in Santa Monica and exceeding age 18 is occurring faster than the rate of new households with young children.
- The rate of residential unit demolition and units lost to consolidation of existing units are considerable.

Finally, it is possible that the Census is inaccurate or has undercounted in some manner. However, the U.S. Census is the mostly widely accepted body of data on such topics. If the City

were to challenge the Census information, substantial data and analysis would be required. Until such time, the Census must be viewed as the authoritative source.

Without the ability to make the case that each new residential unit equates to new demand for child care in Santa Monica, the linkage between new residential construction and child care demand cannot be supported at this time.

Should the U.S. Census in 2010 produce data indicating growth in the number of small children, then the City could add a residential component to a Child Care Impact Fee program.

**APPENDIX TABLE B-1
 SANTA MONICA DEMOGRAPHIC PROFILE
 CHILD CARE LINKAGE PROGRAM
 CITY OF SANTA MONICA**

	1990		2000	
Population	86,905		84,084	
Housing Units	47,753		47,863	
Households	44,860		44,497	
Households w/Children Under Age 18				
Number of Households	7,171		7,488	
% of All Households	16.02%		16.80%	
Children Under 18 in Santa Monica by Age Range				
Under 5	4,048	34%	3,448	28%
5 - 9	3,101	26%	3,538	29%
10 - 14	2,878	24%	3,507	28%
15 -17	1,930	16%	1,821	15%
		100%		100%

Total Number Under 18	11,977		12,314	
Approximate Share of Households with Pre-School Children		4.90%		4.70%
Approximate Share of Households with School Age Children		10.40%		12.60%
Number of Children per Household with Children Under 18		1.70		1.64

Los Angeles County

Households with Children Under 18 as % of All Households

41.30%

**APPENDIX TABLE B-5
ANNUAL RESIDENTIAL BUILDING ACTIVITY IN SANTA MONICA
COMMERCIAL BUILDING ACTIVITY IN SANTA MONICA
CITY OF SANTA MONICA**

Assumptions:

YEAR	SINGLE-FAMILY	MULIT-FAMILY	TOTAL UNITS
	UNITS	UNITS	(SF + MF)
1990	71	237	308
1991	120	219	339
1992	31	187	218
1993	12	110	122
1994	10	29	39
1995	6	60	66
1996	23	172	195
1997	28	280	308
1998	46	762	808
1999	36	240	276
2000	55	405	460
2001	43	196	239

1990-2001

Total (rounded)	480	2,900	3,380
Annual Average (12 year period)	40	242	282

1995/2001

Total (rounded)	240	2,120	2,350
Annual Average (7 year period)	34	303	336

Sources: Construction Industry Research Board, KMA

APPENDIX C
OTHER WEST LOS ANGELES CHILD CARE CENTERS

Les Enfants, Inc. Pre-School
2702 Virginia Avenue, Santa Monica
(310) 315-0058

Developer

- Page Construction

Building Type

- New construction
- Stand alone center built in 1998

Size of Facility

- Total = 10,000 square feet
- Indoor space = 5,000 square feet
- Outdoor space = 5,000 square feet

Child Care Slots

- Infant = 28
- Toddler = 18
- Preschool (age 3 to kindergarten) = 26

Costs

- *Land: N/A*
- *Construction (building shell): \$120 per square foot*
- *Tenant Improvements, Fixtures, Outdoor Play Area, etc.: \$16,000*
- *Furnishings and Equipment: \$5,000*
- *Start up Costs: \$1,700 for licensing, fire inspections, training, curriculum, and losses until facility is running at capacity*

Parking Requirements

- 5,000 square feet dedicated to parking

Source

- Nancy Behravesh, Director, Les Enfants, Inc.

Westside Children's Center (WCC)

12120 Wagner Street, Culver City
(310) 397-4200

Developer

- WCC

Building type

- New construction
- Stand alone and expansion of existing facility 2002

Size of Facility

- Total = 26,650 square feet
- Indoor space = 11,650 square feet
- Outdoor space = 15,000 square feet

Child Care Slots

- Infant = 0
- Toddler (18 – 34 months) = 48
- Preschool (age 35 months to kindergarten) = 52

Costs

- *Land*: Land purchase at \$1 million in 1995 when values were depressed. Industrial zoned land owned by the City of Los Angeles.
- *Construction (building shell)*: Total development costs were \$2.2 million or \$190 per square foot.
- *Tenant improvements, fixtures, outdoor play area, etc.*: \$344,000 or \$30 per square foot.
- *Furnishings and equipment*: \$87,000
- *Start up costs*: \$107,000, including curriculum materials & equipment.

Parking Requirements

- A new structured parking area will be provided to serve the site. There are 10 drop-off spaces.

Other

- Child care facility is part of the new Child Development and Neighborhood Center. The new building enables WCC to more than double its on-site child care services to lower income families, including subsidized infant care program.

-
- The project also includes a large community meeting room and a professional kitchen.

Source

- Douglas Chin, WCC

New Path Montessori School
1962 20th Street, Santa Monica
(310) 450-2477

Building Type

- Rehabilitated - 2001
- Single-family home in residential area

Size of Facility

- Total = 2,400 square feet
- Indoor space = 1,200 square feet
- Outdoor space = 1,400 square feet

Child Care Slots

- Infant = 0
- Toddler = see below
- Preschool (age 2 to kindergarten) = 30

Costs

- *Land*: \$328,000
- *Construction (building shell)*: \$125 per square foot
- *Tenant Improvements, Fixtures, Outdoor Play Area, etc.*: \$35,000
- *Furnishings and Equipment*: NA
- *Start up costs*: \$200 for licensing

Parking Requirements

- Three drop off spaces and staff parking spaces provided. 12' property in alley

Source

- Chandra Jayasekara (Ira), New Path

Saint Joseph Infant Toddler Development Center

718 Rose Avenue, Venice

(310) 396-6468

Developer

- Venice Community Housing Corporation, Owner

Building type

- Rehabilitated – 1999
- Two-story low-rise office building

Size of Facility

- Total = 2,470 square feet
- Indoor space = 1,570 square feet
- Outdoor space = 900 square feet

Child care slots

- Infant = 6
- Toddler = 17
- Preschool (age 3 to kindergarten) = 0

Costs

- *Land*: \$114,900
- *Construction (building shell)*: \$161 per building square foot
- *Tenant Improvements, Fixtures, Outdoor Play Area, etc.*: above
- *Furnishings and Equipment*: \$32,000
- *Start up Costs*: \$10,600 for licensing, training, curriculum, family recruitment

Parking Requirements

- Two spaces

Other

- Mostly funded with public grants

Source

- Judy Alexander, Saint Joseph Center, (310) 396-6468
- Lori Zimmerman, Venice Community Housing Corporation, (310) 399-4100

UCLA Campus Child Care Center

UCLA Campus

(310) 206-1861

Developer

- UCLA Capital Programs

Building Type

- Planning – Expected 2003
- New stand alone center
- Renovation of existing structure (approx 1,000 square feet) for new administration area (lobby, kitchen and conference room).

Size of Facility

- Total = 12,000 square feet
- Indoor space = 5,000 square feet
- Outdoor space = 7,500 square feet

Child Care Slots

- Infant = 12
- Toddler = 12
- Preschool (age 3 to kindergarten) = 60

Costs

- *Land:* University donation
- *Construction (building shell):* Only provided "Total Cost All In" amount equal to \$2.1 million or \$420 per building square foot
- *Tenant Improvements, Fixtures, Outdoor Play Area, etc.:* Above
- *Furnishings and Equipment:* Above
- *Start up Costs:* Above

Parking Requirements

- Parking provided for staff on-campus but not attached to facility

Other

- Major private donation for construction

Source

- Gay Macdonald, (310) 206-1861

APPENDIX D- CHILD CARE PROGRAMMATIC EXPENDITURES OF THE CITY

A. Introduction

In this section, KMA summarizes the expenditures made by the City of Santa Monica for various child care programs and youth services and links them to residential units. They are linked to residential units, and not workplace buildings, because the services and programs are available to residents if not exclusively, certainly primarily.

As indicated in the Report introduction, a narrow, but widely accepted, interpretation of the Mitigation Fee Act, AB 1600 as written into California Government Code, Section 66000 (Code) is that linkage fee type programs may only address capital or facility costs. Since the expenditures examined in this section are all programmatic costs, they are not eligible for linkage fee purposes. As such, this material is summarized for added information only.

For purposes of this exploration, KMA utilized expenditure information for one year (Fiscal Year (FY) 2002/03 Budget). Should the City elect to proceed with any use of the information, it is recommended that additional data for more years be assembled. Average annual City expenditures should reflect data from at least three to five years would to provide a more solid foundation for any purported average.

Given the limitations for proceeding with programmatic expenditures, and the fact that a residential impact fee is not recommended at this time, the information and methodology presented in this section are intended as illustrative only.

B. City Expenditures on Preschool Child Care

The City of Santa Monica responds to community needs through direct service provision or contracts with community agencies through the City's Community Development (CD) Program. The CD Program awards funding to Connections for Children (CFC) and The Growing Place for child care scholarships to low and moderate-income Santa Monica families. CFC prioritizes their subsidies for the Santa Monica Child Care and Family Support Program to families of children from infants through preschool and The Growing Place is a child care center that serves families with children from three months through preschool.

Both these programs receive funding for their operations and scholarships. In FY 2002/03, CFC received \$122,025 and The Growing Place \$171,000 for operational costs. This excludes the amount of funding for their award of scholarships. In order to determine the costs of the program per residential unit in Santa Monica, it was necessary to apply the City expenditure on general program operations to all children of appropriate age in the City and ultimately all households and housing units. Another methodology, which would end with the same result, is to identify the

expenditure per household in the program and then establish the rate of participation among those eligible. This analysis is summarized in Appendix Table D-1 below. Appendix Table D-4, at the end of this section, presents the figures from the City Budget divided into the two components.

**Appendix Table D-1
Programmatic Expenditures for Preschool Children, per Residential Unit**

Total Cost of Programs	
Connection Program excluding Scholarship Program	\$122,025 /Year
The Growing Place excluding Scholarship Program	\$171,000 /Year
Total	\$293,025 /Year
Total Number Eligible Children in Santa Monica	
Ages 0-4 plus 50% of Age 5	3,773
Cost per Eligible Child in Santa Monica	\$77.66 /Year
Rate of Eligible Children per Household (Number of eligible children divided by all households in Santa Monica – 44,497)	8.48%
Cost per Residential Unit	
Cost per Residential Unit (8.48% x \$77.66)*	\$6.59 /Year
Cost Capitalized @ 10%	\$66
*Alternatively, \$293,025 costs divided by 44,497 households = \$6.59	

The conclusion is that the cost of the program per household or residential unit (the difference being a very small vacancy factor) in Santa Monica is \$6.59 per year, or capitalized at 10% to address the long term.

C. City Expenditures on School Age Child Care

The City of Santa Monica's program for school age children is called the CREST program. The program serves 4th and 5th grade students, or for this study's purposes children age 9 and 10 years old. Outside of the scholarship component, the City contributed \$851,968 per the FY 2002/03 Budget (see Appendix Table D-4).

A similar methodology for determining the cost per residential unit as was employed with the preschool programs is utilized.

Appendix Table D-2**Programmatic Expenditures for School-Age Children, per Residential Unit**

Total Cost Program	
CREST Program excluding Scholarship Portion	\$851,968 /year
Total Number Eligible Children in Santa Monica (4 th and 5 th graders or 9 and 10 year olds)	1,596
Cost per Eligible Child in Santa Monica	\$534 /year
Rate of Eligible Children per Household (Number of Eligible Children Divided by All Households in Santa Monica – 44,497)	3.60%
Cost per Residential Unit	
Cost per Residential Unit (3.6% x \$534)	\$19.22 /year
Cost Capitalized @ 10%	\$192

The conclusion is that the City spends \$19.22 per residential unit per year on this program. The annual cost capitalized is \$192.

D. City Scholarship Programs

As mentioned, the CD Program provides funding to the CFC and The Growing Place for programs that assist low and moderate-income households with cost of child care. In FY 2002/03, the annual amount available per child averages \$5,900 for CFC and The Growing Place and \$1,170 for the older children in the CREST Program.

For FY 2002/03, CFC awarded 79 children scholarships from 60 households. The Santa Monica Child Care and Support Program awarded approximately 70% of the scholarship families up to the 75% of the state median income and the remaining from families that exceeded the state median income. The Growing Place awarded scholarships to families attending Marine Park Child Development Center based on a variety of criteria including family income and need. They do not use a standardized formula or the state median income as criteria. The CREST program has developed its own fee schedule and will scholarship families above 80% of the state median income depending on family size. The scholarship averages were derived from total expenditures and total recipients. (See Appendix Table D-5, at the end of this section.)

The scholarship programs are available to resident families who meet their child care needs by placing their children in child care centers or family child center homes (not to pay for relatives care, nannies or babysitters). To ascertain the share of children needing child care who meet their needs in this manner, KMA relies on the percentages presented in the Report Section II addressing how families meet their child care needs.

To estimate how many qualifying households there would be per 100 residential units, one can look to the City's rate of affordable housing production as a share of total units. For the purposes at hand, one can therefore look to housing production for units affordable to up to 80% of median income households, which is consistent with the maximum income level of families who typically receive child care scholarships.

According to the recently adopted Housing Element, there were 1,167 units built in the City from 1988 through 1997 of which 395 units, or 34%, were affordable to low and very low income households (below 80% of median income) (*Housing Element Section V-2*). At the time of the Housing Element preparation, looking forward from January 1998, there were 467 out of 2,553 units proposed or in the "pipeline" that met the same income definitions, or 18%. Merging the two periods, the City averaged 23% of its annual housing production affordable units to this income range.

If the 23% average is applied to 100 residential units, we find the following:

**Appendix Table D-3
Number of Children Eligible for Scholarships and Estimated Costs**

Per 100 Residential Units	<u>Age 0-5</u>	<u>Age 6-12</u>	<u>Total</u>
Children Needing Child Care (Appendix C, Table B-2)	3.76	4.73	8.49
Children with Child Care Needs Met by Other Than Parent or Relatives	55%	36%	45%
Number	2.07	1.70	3.77
Children Qualifying for Scholarship Subsidy @ 23%	0.47	0.39	0.86
Cost of Scholarship/Subsidy			
Per Child – Annual (see Appendix Table D-5)	\$5,900	\$1,170	
Cost per 100 Units	\$2,770	\$456	\$3,226/year
Cost per Unit			\$32.26/year
Cost Capitalized @ 10%			\$323

In summary, when the cost of the scholarship program is allocated to each residential unit, the annual cost is \$32 per year, which capitalized at 10% yields a capital cost of \$323.

E. Other Expenditures for Child Care and Youth Services

City staff assisted with the preparation of materials on City expenditures for other child care related programs and youth services. Conceptually these expenditures are the same as child care programs in that they are available to the children and youth of resident families in Santa Monica. Staff therefore screened the budgets of City departments and extracted the programs for children and youth and the amount budgeted for FY 2002/03. This procedure led to an assembly of City department programs, which include the Human Services Division, Environmental and Public Works, Police, Library, Fire, Resource Management, SMMUSD, City Manger, Community and Culture, Community Programs and the Blue Bus.

Appendix Table D-6 at the end of this section contains the listing of programs and amounts in the proposed budget. The program list does not include the expenditures for the preschool or other programs presented thus far in this analysis. All programs on the list are additional programs; there is no double counting. The finding is that the City's proposed budget contained programs for children and youth totaling \$11,751,914 or nearly \$12 million.

At the time of the 2000 U.S. Census, the City of Santa Monica had 12,815 children under age 18 residing in it. The total expenditure divided by the number of children is nearly \$1,000 for each child per year, or \$917 per year to be more precise.

The total City expenditures divided by the number of households yields \$264 per household, which capitalized at 10% is \$2,640 per residential unit.

F. Summary of Costs Per Residential Unit

As previously described, there are limitations to residential linkage in Santa Monica due to the lack of growth in the number of young children in the City. In addition there is the requirement of a liberal interpretation of the Code to do a linkage program using operational or program type costs. Finally, figures here are drawn from a single budget year. For these reasons, KMA emphasizes that the analysis is illustrative only.

The following summarizes the total child care program and youth services expenditures amounts per residential unit. The result of adding together all the pieces is:

	<u>Cost per Unit</u>
City Preschool Programs	\$66
City School Age Program (CREST)	\$192
City Scholarship/Subsidy Program	\$323
Other City Expenditures for Child Care and Youth Services	<u>\$2,640</u>
 Total Per Residential Unit	 \$3,221

In summary, the total child care programmatic costs, including youth services for children up through age 17, is \$3,221 per residential unit in Santa Monica.

Table D-4

**CITY PROGRAMS FOR PRE-SCHOOL AND SCHOOL AGE CHILDREN
CHILD CARE LINKAGE PROGRAM
CITY OF SANTA MONICA**

<u>Program & Budget Category</u>	<u>Annual Youth Budget</u> ¹	<u>Annual Subsidies/ Scholarships</u> ²	<u>Balance/ Program Cost</u>
I. Community and Cultural Services Department			
A. Human Services Division			
Community Development Program Grantees			
Connections for Children	\$753,740	\$590,136	\$163,604
The Growing Place	\$246,000	\$65,986	\$180,014
B. Direct Services Programs			
CREST -			
Child Care Component Only	\$846,570	\$0	\$846,570
Scholarships	\$605,501	\$520,200 ³	\$0

¹ City of Santa Monica, Proposed FY 2002-03 Youth Budget

² City of Santa Monica, Subsidy Information FY 2001-02 provided by City staff. See Table B-5

³ Assumes difference is attributed to other non-youth scholarship programs itemized in budget.

APPENDIX TABLE D-5
 CITY SCHOLARSHIP/SUBSIDY PROGRAM SUMMARY
 CHILD CARE LINKAGE PROGRAM
 CITY OF SANTA MONICA

Program	Annual Scholarship/Subsidy								Program Guidelines			
	Number of Recipients				Average Amount Per Child				Subsidy Calculation	Other Requirements Affordable	Residency Requirement	Comments
	0-2	Years 2-5	5+	Total	0-2	Years 2-5	5+ Years	Weighted Average				
Connections For Children (CFC)	34	67	6	107	\$3,800	\$6,600	\$4,200	\$5,500	70 subsidies awarded by ranking order in accordance with CA Dept of Ed. Family Fee Schedule. 30 subsidies exceed Dept of Ed standards to meet households earning up to \$45,000 for a household of four (nearly 80% of median income for Los Angeles County).	By sliding income scale, the CA Dept of Ed sets the fee to be paid by a family. Qualified households earn less than 75% of County Median, adjusted for household size. For instance, a household of three earning less than 50% of LA County Median will pay \$40 per month for full-time daily care.	Yes	In addition to providing full day early childhood child care, program has component to provide training to foster children's early development. Provides operating subsidy support to one child care center; support and technical assistance to centers and family child care facilities.
The Growing Place (MPCDC)	3	13	0	16	\$4,800	\$4,000	\$0	\$4,100	Committee of the Board decides the awards based on "Tuition Assistance Application" provided by the parent. A priority system for enrollment is established for City of Santa Monica employees.	N/A	Priority Only	

Program	Subsidy						Program Guidelines			
	Number of Recipients by Grade			Average Amount Per Child			Subsidy Calculation	Other Requirements Affordable	Residency Requirement	Comments
	K-3rd "Primary Crest"	4th & 5th "Upper Crest"	Total	K-3rd	4th & 5th	Weighted Average				
CREST	51	255	306	N/A	N/A	\$1,700	A Human Services Division's sliding scale fee is based on federal and state income guidelines, adjusted for Santa Monica high income area. Once income limits are met, all children in a household qualify. Participants must qualify annually.	Income sliding scale based on household size to receive scholarship ranging between 25% and 100% of fee. Incomes are less than the Los Angeles County median income.	Must be resident to qualify for a scholarship.	Program operates in 7 SM-MUSD elementary schools. By MOU the school district provides the classrooms/playgrounds and the City provides child care & other youth programs. The program is not fully subscribed. Monthly fees for the "before & after school program" range between \$223-\$285.

Santa Monica College "On the Move Program" excluded because service provided primarily to parents associated with the school. For FY 2001/02, the City provided nearly \$45,000 to 7 children, an average subsidy of \$6,430 per child.

Table D-6

CITY EXPENDITURES FOR CHILD CARE AND OTHER YOUTH SERVICES*

CITY OF SANTA MONICA

PROPOSED FY 2002-03 YOUTH BUDGET

(non school based programs and funding levels are in italic)

DRAFT

Santa Monica-Malibu Unified School District

Annual Operating Grant	\$3,000,000
Grad Nite Subsidy	8,100

City Manager

<i>KidScape/Family Guide Publication</i>	22,000
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Community and Cultural Services Department

Capital Improvements Program

<i>Skate Park</i>	572,000
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Cultural Arts Division

<i>Non-School funding and programs</i>	55,590
<i>School Linked Funding and Programs</i>	177,500

Community Programs Division

Youth Classes and Programs	69,574
Miles Playhouse	167,756
School Playground Community Use Access Program	168,912
Therapeutic Programs	25,888

Event Facilities

<i>Fee Waivers for Parking and Rental to School District</i>	29,200
--	--------

Human Services Division

Community Development Program Grantees	
<i>Boys and Girls Club of Santa Monica (Skate Park)</i>	25,420
Computer Access Center	11,583
Dispute Resolution Services: (Youth and Family Program)	48,175
El Nido Family Center (Edison/Will Rogers Elementary)	110,085
Family Service of Santa Monica (McKinley, Muir Elementary/SAPID)	137,760
<i>Family Service of Santa Monica: Agency Based Services</i>	57,605
Growing Place: Mentor Program	10,250
Jewish Family Service of Santa Monica (Santa Monica High School)	26,138
<i>Ocean Park Community Center: Sojourn Services</i>	47,300
Santa Monica-Malibu Unified School District: Enlace Familiar	62,360

Santa Monica-Malibu Unified School District: Santa Monica High School Alliance	308,013
Saint John's Child and Family Center (John Adams/Lincoln/Olympic)	175,705
<i>St. Joseph Center: Family Self Sufficiency</i>	161,875
<i>WISE: Senior Services: RSVP/America Reads</i>	30,750
Woodcraft Rangers: Pico Neighborhood Youth and Family Center	318,000
Direct Service Programs	
Aquatics	859,822
Middle School Sports Leagues	126,807
CREST (Childcare, Recreation, Enrichment, Sports Together)	
Recreation (Playground Access)	73,281
Enrichment	131,412
Sports	262,796
<i>Police Activities League</i>	444,625
<i>Virginia Avenue Park: Youth and Families Programs</i>	421,435
<u>Environmental Public Works Management</u>	
School Related Programs	68,500
Non-School Related Programs	38,500
<u>Fire Department: Fire Safety Programs</u>	31,500
<u>Library Services</u>	
School Based	355,000
Youth and Families Services	1,514,730
<u>Police Department</u>	
School-Based Services	457,053
Youth and Family Services	1,106,414
<u>Resource Management Department</u>	12,000
<u>Big Blue Bus</u>	20,500
	<hr/>
TOTAL	\$11,751,914

*Excludes: Connections Program
CREST Child Care
City Employee Child Care Subsidies
Growing Place: Marine Park Child Development Center
All Scholarship/Subsidy Programs



San Francisco Infrastructure Level of Service Analysis

DECEMBER 2021

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Acronyms

ADT	Average Daily Trips
AECOM	Architecture, Engineering, Consulting, Operations and Maintenance
ALS	Advanced Life Support
BSP	Better Streets Plan
CAD	Canadian Dollars
CCC	Child Care Center
CPAC	Child Care Planning and Advisory Council
DCYF	Department of Children, Youth and Their Families
DPH	Department of Public Health
EMS	Emergency Medical Services
FCC	Family Child Care Program
FY	Fiscal Year
LOS	Level of Service
LRT	Light Rail Transit
MTC	Metropolitan Transportation Commission
MTS	San Diego Metropolitan Transit System
MUNI	San Francisco Municipal Railway
NFPA	National Fire Protection Agency
NPRA	National Park and Recreation Association
NYC	New York City
OCII	Office of Community Investment and Infrastructure
SF	San Francisco
SF-CHAMP	San Francisco Chained Activity Modeling Process
SFDPW	San Francisco Department of Public Works
SFEMSA	San Francisco Emergency Medical Services Agency
SFFD	San Francisco Fire Department
SFMTA	San Francisco Municipal Transportation Agency
SFOECE	San Francisco Office of Early Care and Education
SFPL	San Francisco Public Library
SFPUC	San Francisco Public Utilities Commission
SFRPD	San Francisco Recreation and Park Department
SPU	Service Population Unit(s)
TAZ	Transportation Analysis Zone
TIDA	Treasure Island Development Authority
TIDF	Transit Impact Development Fee
TJPA	Transbay Joint Powers Authority
TSF	Transportation Sustainability Fee
UC	University of California

1 Executive Summary

1.1 Capital Improvement Program Prioritization

Infrastructure plays a critical role in creating a thriving economy and vibrant communities. The City of San Francisco Planning Department and the Capital Planning Program commissioned this study to continue the City's efforts to strategically address its infrastructure needs. In the past fifteen years or so, the City has moved forward on several initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year.

This study supports these capital planning efforts first by quantifying the current level of infrastructure services within the City, and second by developing target levels for those services based on agency directives and recommendations from the consultant. The study also recognizes the City has limited resources to fund and maintain infrastructure and that the City needs to set realistic infrastructure provision goals. The results of this report are intended to help inform the City's capital planning process and future infrastructure decisions. As part of this process, the following six infrastructure categories have been reviewed:

1. Recreational and Open Space Infrastructure
2. Child Care Facilities
3. Complete Streets Infrastructure
4. Transit Infrastructure
5. Library Facilities
6. Fire Department Facilities

For each of these categories, this study evaluates (1) the existing level of service (LOS), (2) an aspirational, long-term LOS standard, and (3) a realistic, short-term (2025¹) LOS standard. Each of these LOS is described in greater detail below.

1.2 Project Objectives

The infrastructure LOS review and analysis study has four objectives:

- Evaluate existing levels of infrastructure provision and distribution throughout the City;
- Recommend aspirational and attainable LOS targets for the City considering fiscal, policy, physical, and social constraints;
- Use existing LOS provisions along with the developed LOS standards as a tool to understand potential opportunities for capital investment; and
- Provide guidelines for evaluating capital projects in terms of citywide standards.

¹ In most cases the timeframe of analysis is from the year 2019 (the year this Report was drafted) until 2025. The exception is the transit infrastructure category, for which the timeframe of analysis extends until 2040. This selection of a longer timeframe is discussed in more detail in the relevant infrastructure chapter.

1.3 Standards-Based Metrics

Where appropriate, this study uses standards-based metrics to quantify the appropriate LOS for each infrastructure category. Standards-based metrics are metrics that measure infrastructure provision against a measure of population – typically either population (residents) or service population (residents and a share of employees). An example of a standards-based metric would be: 2 miles of street per 1,000 residents.

The benefits of using standards-based metrics include being able to:

- Set clear City targets for infrastructure provision and capital planning;
- Measure infrastructure distribution across the City’s neighborhoods, thereby identifying areas of need;
- Allow infrastructure provisions to be benchmarked against past/future provision;
- Inform future planning and large-scale redevelopment decisions;
- Contribute to a common language and tool for agency policies and various infrastructure types;
- Measure and track the City’s infrastructure provision in relation to other comparable cities;
- Provide a visual tool to help prioritize capital investment; and
- Streamline the development impact fee nexus update process.

Given constraints associated with some infrastructure categories, not all LOS metrics within this study are standards-based. Each infrastructure category section describes its LOS metric and why that is the most appropriate for that infrastructure category.

1.4 Development Process

LOS metrics were developed based on existing City policies, department consultation, and an overview of best practices from comparable cities throughout North America. The key finding from the best practices review is that the consistency of infrastructure metrics vary greatly by infrastructure category; while recreational and open space had fairly consistent metrics (or at least a consistent approach to metrics) throughout the case study cities, child care had almost no metrics, and transit infrastructure had very different metrics across case study cities.

To develop LOS targets, the first step was to determine quantitative metrics for each infrastructure type. The current provision was then mapped onto this quantitative metric to understand distribution across neighborhoods. Next, the long-term aspirational goals were identified based on policy research, departmental input, and consistency with San Francisco’s General Plan. The long-term aspirational goals reflect policy goals that may become achievable over the long-term under alternate financing and social landscapes – i.e. given fewer constraints, financial and otherwise. After quantifying these two conditions, the current LOS and the long-term aspirational goal, short-term targets were developed to reflect infrastructure development objectives that are more feasible given fiscal and social constraints. The short-term (2025 in most cases) targets were developed in consultation with responsible departments and reflect a reasonable estimate of what the City intends to achieve based on prevailing fiscal conditions in San Francisco for both capital and operations & maintenance costs. In most cases, the short-term targets reflect a preservation of the current LOS.

In addition to supporting capital planning efforts, the short-term targets help inform future development impact fees: feasible short-term targets help set reasonable fee levels. By contrast, basing development impact

fees on the ambitious infrastructure provision of the long-term aspirational goals would create an undue burden on new development that the City is unable to match.

Finally, it is important to note that these goals and targets do not pre-ordain funding to specific locations but rather set up a systematic approach to help understand locations of potential infrastructure investment and determine potentially appropriate infrastructure projects to consider. Individual projects will be guided by a number of other factors including but not limited to departmental guidance, community support, and fiscal feasibility.

1.5 Findings

The Existing and Proposed Level of Service section summarizes the LOS metrics, the current provision, and the short-term targets for the six infrastructure categories, and it compares these points to the previous LOS study from 2014. The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

Because few cities have well-defined LOS targets, it can be difficult to compare San Francisco's performance against comparable cities. However, where it is possible to do so, each section compares San Francisco's infrastructure provision to the case study cities. San Francisco is generally on par or better in terms of infrastructure provision.

2 Introduction

In 2019, Hatch was retained by the San Francisco Planning Department, the Office of Resilience and Capital Planning, and the City Attorney's Office to conduct a review of the City and County of San Francisco's (the City's) infrastructure provision. The fundamental questions analyzed were:

1. What are the existing citywide levels of service (LOS) for the reviewed infrastructure categories?
2. What infrastructure LOS standards does the City aspire to if fiscally unconstrained?
3. What infrastructure LOS standards should the City realistically target?
4. Given LOS standards, for each infrastructure category, what is the anticipated citywide shortfall by 2025, based on population growth?

This report updates the San Francisco Infrastructure level of Service Analysis report completed by AECOM in 2014.

Specifically, this report provides insights into determining LOS targets for six infrastructure categories:

1. Recreational and Open Space Infrastructure
2. Child Care Facilities
3. Complete Streets Infrastructure
4. Transit Infrastructure
5. Library Facilities
6. Fire Department Facilities

To determine LOS metrics and standards, this report relied on existing City plans and reports related to the six infrastructure categories. This report is intended to inform infrastructure provision in the City to address existing and future shortfalls.

The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

2.1 Project Objectives

The infrastructure LOS review and analysis portion of the project has four clear objectives:

- To evaluate existing levels of infrastructure provision and distribution throughout the City;
- To develop and propose aspirational and attainable LOS targets for the City consistent with the General Plan;
- To use the developed level of service standards as a capital planning tool; and
- To provide guidelines for evaluating capital projects in terms of citywide standards.

While this report does not cover the estimation of new developments' share of infrastructure provision, it does provide the foundation for the *2021 San Francisco Infrastructure Nexus Analysis*.

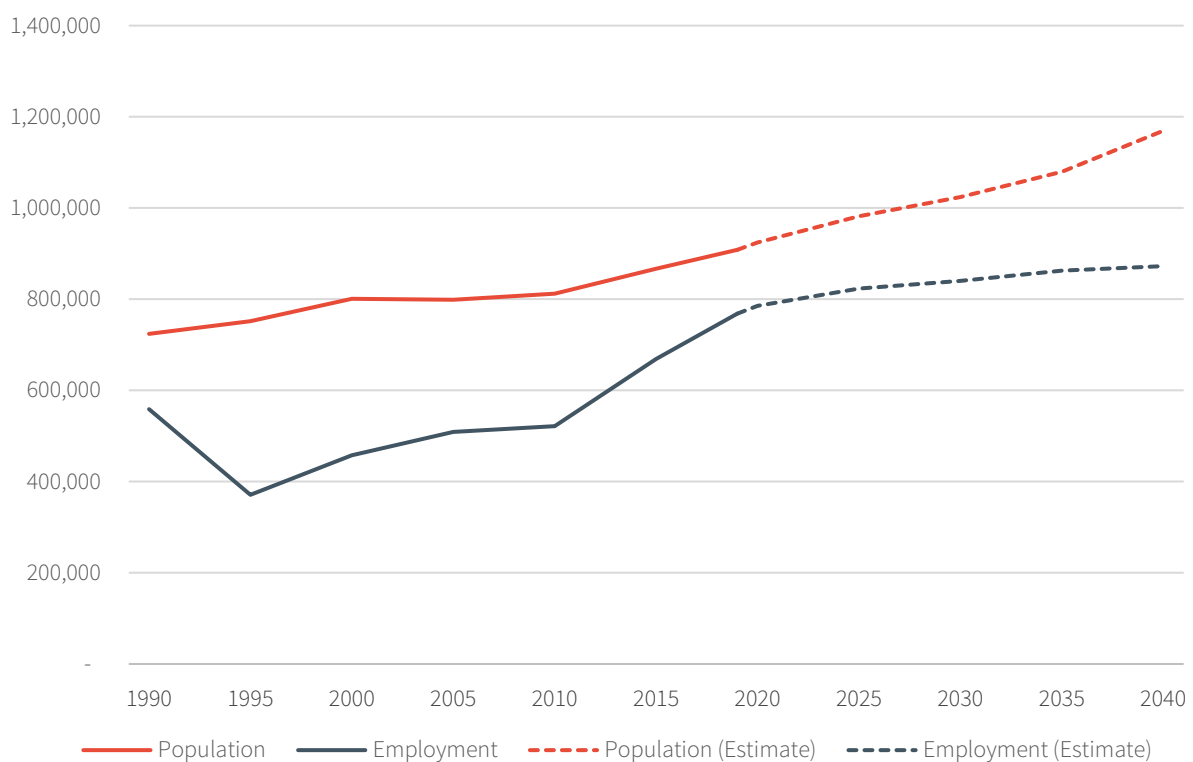
2.2 Capital Improvement Program Prioritization

Recognizing the critical role infrastructure plays in creating a thriving economy and vibrant communities, the City commissioned this study to continue its efforts to strategically address its infrastructure needs. The City has moved forward on several initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally-constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year.

This study quantifies the current level of infrastructure services within the City and develops target levels for those services based on 2019 data and demographic projections. The time period covering the COVID-19 pandemic will be included in the next level of service analysis report.

2.3 Demographic Growth and Projected Infrastructure Shortfalls

FIGURE 1: SAN FRANCISCO POPULATION AND EMPLOYMENT, 1990-2040²



Both the City's residential and employment populations use City infrastructure on a daily basis. As the City grows, demand on that infrastructure will increase with growth. This report analyzes the current LOS for City infrastructure categories, in part, to establish the additional infrastructure necessary to support further growth

² Sources: San Francisco Commerce & Industry Reports (published by SF Planning), 2004, 2012, 2016. San Francisco Population and Employment Projections (from SF Planning).

and maintain the high quality of life San Francisco is known for. Figure 1 shows the projected growth in residential population and employment in the City through 2040³.

Part of establishing citywide infrastructure provision is analyzing the distribution of infrastructure throughout the City. For the most part, this is done at the neighborhood level. Figure 2 shows the neighborhoods used for analysis in this report⁴.

FIGURE 2: SAN FRANCISCO NEIGHBORHOODS



Source: San Francisco Planning Department



LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

City Neighborhoods

- Neighborhood boundary - - - - -

³ The bulk of this report was completed in 2019, using 2019 data, costs, and demographic projections. The period of COVID-19 will be part of the next level of service analysis.

⁴ The neighborhood boundaries shown in the Figure 2 are from the SF Planning Department’s Division of Neighborhoods.

2.4 Approach & Report Organization

This study begins with a chapter summarizing the infrastructure provision metrics and levels of service, comparing them to the prior (2014) report. The remainder of the report includes one chapter per infrastructure category. The Socio-Economic Analysis section presents an analysis of infrastructure provision in San Francisco's Equity Priority Communities. The appendix contains details of how several datapoints in the report were reached.

Each infrastructure chapter is organized as follows:

- Each chapter opens with a discussion of background information about the infrastructure category and typical measures for infrastructure provision. A review of the provision of the infrastructure category within San Francisco is included, with reference to provision in case study cities.
- Metrics for that infrastructure category within San Francisco are proposed. San Francisco's current level of service is quantified, as per the proposed metric. An aspirational goal and a short-term target are identified, as per the proposed metric.
- New demand for infrastructure based on expected growth (through 2025 or 2040) is forecasted and assessed.

3 Existing and Proposed Level of Service

TABLE 1: COMPARISON OF INFRASTRUCTURE PROVISION METRICS, LEVELS OF SERVICE, AND GOALS FROM 2014 TO 2019

2014 LOS Analysis		2019 LOS Analysis	
Recreational and Open Space			
Metrics	<ul style="list-style-type: none"> Acres of City-owned open space per 1,000 service population units Acres of open space per 1,000 adjacent residents 		<ul style="list-style-type: none"> Acres of City-owned open space per 1,000 service population units Percent of service population units within a 10-minute (half-mile) walk of open space
Level of Service	<ul style="list-style-type: none"> 4.0 acres of City-owned open space per 1,000 service population units Average of 2.7 acres of open space per 1,000 adjacent residents; Median of 0.7 		<ul style="list-style-type: none"> 3.0 acres of City-owned open space per 1,000 service population units 100% of SPU are within a 10-minute (half-mile) walk of open space
Goals	<ul style="list-style-type: none"> Maintain 4.0 acres of City-owned open space per 1,000 service population units Achieve 0.5 acres of open space per 1,000 adjacent residents at all parks 		<ul style="list-style-type: none"> Maintain 3.0 acres of City-owned open space per 1,000 service population units Maintain 100% of SPU within a 10-minute (half-mile) walk of public open space, and improve quality of open space
Child Care Facilities			
Metrics	<ul style="list-style-type: none"> Percent of infant/toddler child care demand served by available slots Percent of preschool child care demand served by available slots 		<ul style="list-style-type: none"> Percent of infant/toddler child care demand served by available slots Percent of preschool child care demand served by available slots
Level of Service	<ul style="list-style-type: none"> 37% of infant/toddler child care demand served by available slots 99.6% of preschool child care demand served by available slots 		<ul style="list-style-type: none"> 19% of infant/toddler child care demand served by available slots 88% of preschool child care demand served by available slots
Goals	<ul style="list-style-type: none"> Maintain 37% LOS capacity for infant/toddler child care demand Achieve 100% LOS capacity for preschool child care demand 		<ul style="list-style-type: none"> Accommodate 100% of new demand for infant/toddler child care space Accommodate 100% of new demand for preschool child care space
Complete Streets Infrastructure			
Metrics	<ul style="list-style-type: none"> Square feet of improved sidewalk per service population unit 		<ul style="list-style-type: none"> Square feet of Complete Streets Sidewalk per service population unit⁵
Level of Service	<ul style="list-style-type: none"> 103 square feet of sidewalk per service population unit 		<ul style="list-style-type: none"> 118 square feet of Complete Streets Sidewalk per service population unit⁶
Goals	<ul style="list-style-type: none"> 88 square feet of improved sidewalk per service population unit 		<ul style="list-style-type: none"> Maintain 118 square feet of Complete Streets Sidewalk per service population unit
Transit Infrastructure			

⁵ The 2019 Complete Streets Sidewalk metric includes bicycle infrastructure, whereas the 2014 improved sidewalk metric did not.

⁶ Sidewalk area increased from the 2014 report due to errors found in the estimation of citywide sidewalk area in the 2014 report.

2014 LOS Analysis		2019 LOS Analysis	
Metrics	<ul style="list-style-type: none"> Transit crowding: boardings exceeding 85% of vehicle capacity Transit travel time 	<ul style="list-style-type: none"> Transit crowding: passenger miles in vehicles with less than three square feet per standing passenger Transit maintenance 	
Level of Service	<ul style="list-style-type: none"> No LOS reported 33.7 minutes per average travel time 	<ul style="list-style-type: none"> 15% of passenger miles systemwide in crowded conditions 1.45 revenue service hours provided per 1,000 daily auto plus transit trips 	
Goals	<ul style="list-style-type: none"> Decrease crowding 33.6 minutes per average travel time 	<ul style="list-style-type: none"> Improve existing LOS (decrease percent crowded passenger miles) Maintain existing LOS 	
Library Facilities			
Metrics	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> Square feet of library per resident 	
Level of Service	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> 0.67 square feet of library per resident 	
Goals	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> Maintain 0.6 square feet of library per resident 	
Firefighting Facilities			
Metrics	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> Fire stations per 1,000 service population units 	
Level of Service	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> 0.04 fire stations per 1,000 service population units 	
Goals	<ul style="list-style-type: none"> Not included in 2014 report 	<ul style="list-style-type: none"> Maintain 0.04 fire stations per 1,000 service population units 	

For provision of recreational and open space, this report preserves the two metrics from the 2014 report but changes them slightly. As described in further detail in Section 4, the definition of service population units (SPU) has changed for the purposes of measuring parks and open space: the 2014 report counted 19% of all employees toward the total SPU count, but this report counts 50% of employees toward the parks SPU, due to additional research on San Francisco park usage by employees in the City, which shows that employees in San Francisco use City parks more than was previously assumed. This is one of the main contributing factors to why the current level of service for acres of City-owned parks per 1,000 SPU is so much lower in 2019 than 2014 (3.0 compared to 4.0).

This report also replaces the acres of open space per 1,000 adjacent residents metric from the 2014 report with a new metric, walking distance. The 2014 report discusses park access (via walking distance) in the background section, but does not include it as a metric, because the level of service across San Francisco is so high already (100% of SPU are within a 10-minute walk). However, this report cast a broader net for case study comparisons than the 2014 report, and found that walking distance is a common parks metric among peer cities. After discussions with the San Francisco Recreation and Park Department (SFRPD), it was decided that walking distance is more relevant than the adjacent parks metric. An updated acres of open space per 1,000 adjacent SPU map is included in the appendix.

For provision of child care facilities, the City is no longer using a level of service methodology to calculate the nexus fee maximum. Instead, the *2021 San Francisco Infrastructure Nexus Analysis* uses a linkage methodology to examine the demand new development makes on child care infrastructure. This stands in contrast to the 2014 report, where child care is measured through a level of service metric. This report includes an assessment of child care level of service using the 2014 study’s metrics, but to the child care fee uses a linkage approach (see *2021 San Francisco Infrastructure Nexus Analysis for more information about linkage analysis*). The goal is no longer set relative to level of service, but rather to meet 100% of new demand created by new development.

The complete streets infrastructure category represents a combination of two infrastructure categories from the 2014 report: streetscape and pedestrian infrastructure, and bicycle infrastructure. However, in the 2014 report, there were no metrics given for bicycle infrastructure, so only the streetscape and pedestrian infrastructure metric is listed in Table 1.⁷ This report uses the same metric, square feet of improved sidewalk space per service population unit. Improved sidewalk space, in this case, includes bike lanes as part of the “complete streets” environment. The metric will be referred to as “Complete Streets Sidewalk” from here on out.

In the transit category, the 2014 report used two LOS performance metrics: transit travel time and transit crowding. The 2015 Transportation Sustainability Fee (TSF) update modified these two metrics by keeping the transit crowding metric and substituting a transit maintenance demand metric for the transit travel time metric. These two updated metrics were developed to directly support the 2015 TSF nexus analysis. This 2019 update to the Level of Service Analysis uses the same two metrics used in the 2015 TSF update.

Library and firefighting facilities both represent new infrastructure categories for this report and were not included in the 2014 LOS report. The metrics for both categories are designed to estimate the amount of capital facilities per user for each infrastructure type.

⁷ In the 2014 report, bicycle infrastructure goals were set to achieve planned bicycle improvements at the time, rather than through an established level of service.

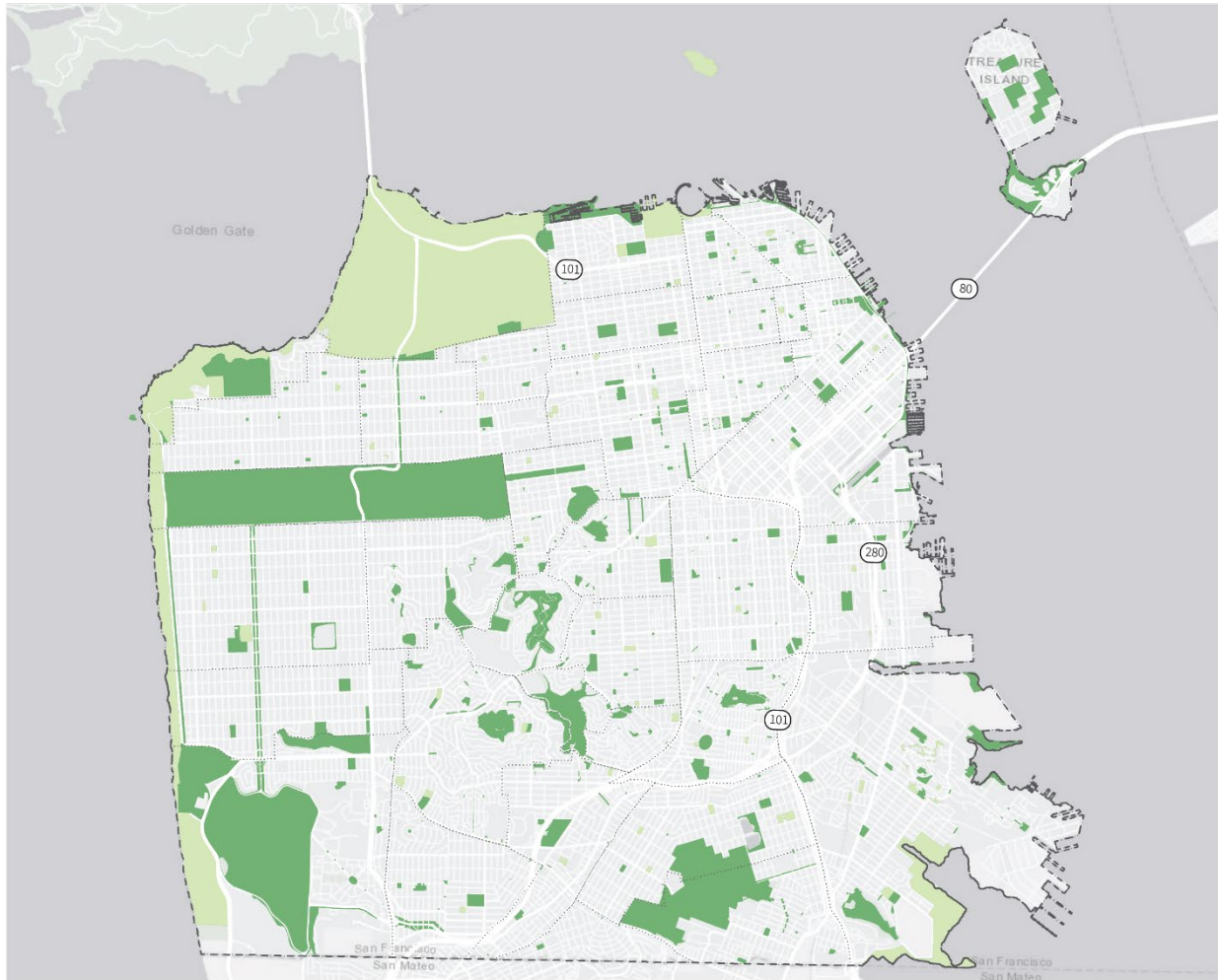
4 Recreational and Open Space Infrastructure

Recreational and open space infrastructure has received significant attention in San Francisco, both from City agencies and the public. This section outlines conventions among a set of case-study cities, examining the metrics they use and comparing existing levels of service. This section will then propose metrics and map existing conditions based on those metrics. Table 2 lists the City documents consulted for this section. Note that the terms parks, open space, and recreational space are used synonymously to refer to recreational and open space. For further information, see Figure 3, a map of San Francisco open space by ownership.

TABLE 2: RECREATION AND OPEN SPACE GUIDING AND REFERENCE POLICY DOCUMENTS

Policy Document	Year	Key Contributions
Recreation and Open Space Element	2014	<ul style="list-style-type: none"> • Information on existing and proposed open space • Analysis of open space distribution
San Francisco Infrastructure Level of Service Analysis	2014	<ul style="list-style-type: none"> • Background information on open space standards • San Francisco open space data and analysis
Transit Center District Plan	2012	<ul style="list-style-type: none"> • Downtown-specific open space information • Analysis of Privately-Owned Public Open Spaces
San Francisco Recreation and Park Department Acquisition Policy	2011	<ul style="list-style-type: none"> • Historical and planned park acquisitions • Department priorities for new open space

FIGURE 3 : TOTAL RECREATION AND OPEN SPACE BY OWNERSHIP (2018)



Total City Open Space (existing acres)	6,301
City-owned* open space	3,844
Non-city** owned open space	2,457
Total Acres / 1,000 Residents	6.9
Total Acres / 1,000 SPU***	4.9
Total City-Owned Acres / 1,000 Residents	4.2
Total City-Owned Acres / 1,000 SPU	3.0



LEGEND

- County Boundary - - - - -
- Highways ———
- Neighborhoods ———

Open Space by Ownership

- City-owned open space
- Non-city owned open space

* City-owned open space includes open space controlled by SFRPD, SFDPW, the Port, SFMTA, SFPL, SFPUC, OCII, TIDA, and TJPA.

** Non-city owned open space includes state and federally-owned open space.

*** Service Population Unit is calculated as one times the resident population plus 0.5 times the employee population, setting up a 1:0.5 ratio of intensity of use between residents and employees.

Source: San Francisco Recreation and Park Department, City Parks 2018

4.1 Background

Traditionally, recreational and open space is measured as a ratio of acres of open space to residents. The National Park and Recreation Association (NPRA) defined a recommendation of 10 acres of park per 1,000 people in 1981,⁸ and that recommendation has since become a common standard. More recently, however, city governments have begun adopting more appropriate standards for densely-populated cities.⁹ Among the comparison cities for this report, service goals range from 2.8 acres of city-owned park space (San Diego¹⁰) to 7.5 acres of total open space including non-city-owned (San Jose¹¹) per 1,000 residents. San Francisco currently provides 4.2 acres of city-owned recreation space per 1,000 residents, and 6.9 acres of total recreation space per 1,000 residents.¹²

The metric of open space provision, however, is more accurately measured per service population units (SPUs), not residents. Service population units consist of city residents and a proportion of city workers. The proportion is calculated to reflect the frequency with which San Francisco park users visit parks from their place of work (if that place of work is within San Francisco) relative to visiting parks from their place of residence (if that place of residence is within San Francisco). The standard assumption in most infrastructure categories is a worker ratio of 0.5, meaning San Francisco park users visit parks from their place of work with roughly half the frequency as from their place of residence.¹³ However, for open space specifically, previous reports have used a lower ratio of workers to residents, 0.19:1. For this analysis, the Hatch team performed a survey of San Francisco park users and pedestrians to determine the relative frequency with which city park users visit parks from their place of work relative to their place of residence.¹⁴ Based on the survey results, the ratio of workers to residents was determined to be closer to the standard 0.5:1 ratio than 0.19:1.¹⁵ This means that the SPU total is defined to be all city residents and 50% of city workers. Using this figure, San Francisco provides 3.0 acres of City-owned open space per 1,000 SPU and 4.9 acres of total open space per 1,000 SPU.¹⁶

⁸ Fogg, George E. National Recreation and Park Association, Park Planning Guidelines. 1981.

⁹ San Francisco Infrastructure Level of Service Analysis. 2014.

¹⁰ San Diego General Plan, Recreation Element. Updated 2015.

¹¹ Envision San Jose 2040 General Plan. Amended 2011.

¹² 2019 population data from SF Planning. Geospatial park data from SF Recreation and Park.

¹³ This is consistent with previous fiscal impact studies prepared for the City, such as the 2011 Parkmerced Fiscal and Economic Impacts Analysis Overview, and the 2018 1690 Folsom Street Economic Impact Study. The 2014 San Francisco Citywide Nexus Study also used the 0.5:1 worker to resident ratio for infrastructure categories other than open space.

¹⁴ 499 surveys were collected from 5 different parks across San Francisco. Each park was surveyed multiple times, and survey collection times included mornings, evenings, and weekends. For further information, see the survey memo in the Appendix, Section 11.5.

¹⁵ More information on the Parks Survey can be found in the Appendix, Section 11.5.

¹⁶ 2019 employment data from SF Planning.

TABLE 3: OPEN SPACE PER CAPITA

		CITY-OWNED OPEN SPACE	TOTAL OPEN SPACE
		3,844 acres	6,301 acres
RESIDENTS	908,336	4.2 acres per 1,000 residents	6.9 acres per 1,000 residents
SERVICE POPULATION UNITS	1,292,516	3.0 acres per 1,000 SPU	4.9 acres per 1,000 SPU

Another important criterion for open space is access. Many cities (Minneapolis¹⁷, Davis¹⁸, and Sacramento¹⁹ among the case study cities) aim to provide park space within walking distance of residents’ homes and measure their park access performance based on the percent of residents who live within walking distance of a park or other form of open space. The distance that is considered “walking distance” varies from city to city, but the most common figure is half a mile, or about a 10-minute walk.²⁰ As reported in the San Francisco General Plan’s Recreation and Open space element, all locations in the City are within a half-mile buffer of recreational and open space.²¹

4.2 Case Study Comparisons

In a review of LOS metrics and goals in other cities, the most frequent criteria measured are *access* (percent of residents within a given distance of park space) and *quantity* (park space per capita). Both are reflected in the Recreation and Open Space Element of San Francisco’s General Plan, although no quantifiable goals are listed. Table 4 compares park access and quantity across the case study cities. The access comparison uses the standard 10-minute walk shed. The Hatch team also analyzed the portion of the total land allocated to open space in the case study cities in order to account for the fact that land-constrained cities face different tradeoffs when planning for the provision of open space per capita. Although San Francisco, one of the densest cities on the list, provides less acres per 1,000 residents than less dense cities like Sacramento or Minneapolis, its allocation of open space as a percent of total land area is one of the highest. Cities like Vancouver and San Diego are outliers since they contain regional forests within their city boundaries.

¹⁷ Minneapolis 2040 – The City’s Comprehensive Plan. Draft update submitted for review June 2019.

¹⁸ City of Davis General Plan, Parks and Open Space element. Updated 2007.

¹⁹ City of Sacramento 2035 General Plan, Education, Recreation, and Culture. Adopted 2015.

²⁰ Moeller, John. American Society of Planning Officials, Standards for Outdoor Recreational Areas. Information Report No. 194. 1965.

²¹ San Francisco General Plan, Recreation and Open Space Element. Updated 2014.

TABLE 4: LOS PROVISION COMPARISON – RECREATION AND OPEN SPACE

City	Percent of Total Area ²²	Acres per 1,000 Residents ²³	Percent of Residents within 10-Minute Walk ²⁴
San Francisco, CA	19.6%	6.9	100%
Minneapolis, MN	14.9%	12.4	97%
San Jose, CA	14.4%	15.8	77%
San Diego, CA	23.2%	34.9	77%
Los Angeles, CA	12.7%	9.5	56%
Vancouver, BC ²⁵	22.0%	22.4	93%
Portland, OR	17.8%	23.4	86%
Seattle, WA	12.5%	9.8	94%
New York, NY	21.2%	4.7	97%
Boston, MA	17.5%	7.9	99%
Sacramento, CA	8.0%	10.2	78%

²² Percent of Total Area and Acres per 1,000 Residents comes from The Trust for Public Land, 2017 City park facts (except Vancouver).

²³ Note that, although Section 4 overall uses service population, this table just looks at residents, to provide a consistent comparison point across cities as done by the Trust for Public Land.

²⁴ ParkScore Index 2018, Trust for Public Land (except Vancouver)

²⁵ City of Vancouver Greenest City 2020 Action Plan (Percent of Total Area and Acres per 1,000 Residents)

TABLE 5: LOS METRICS AND SERVICE GOALS – RECREATION AND OPEN SPACE

City	Metric ²⁶	Service Goals
San Francisco, CA	<p>Proposed:</p> <ul style="list-style-type: none"> Acres of City-owned open space per 1,000 service population units (SPU) Percent of SPU within a 10-minute (half-mile) walk of open space 	<p>Proposed:</p> <ul style="list-style-type: none"> Maintain 3.0 acres of city-owned open space per 1,000 SPU up until total long-term acquisitions reach 500 acres²⁷ Maintain 100% of SPU within a 10-minute (half-mile) walk of public open space, and improve quality of open space
Minneapolis, MN	<p>Distance to parks from each dwelling unit</p> <p>Parkland per household</p>	<p>Park access within 6 blocks of each dwelling unit</p> <p>0.01 acres of parkland per household (or 10 acres per 1,000 households)</p>
San Jose, CA	<p>Acres per population (broken down into different types of park - see Service Goals)</p>	<p>1.5 acres of public park per 1,000 residents</p> <p>2 acres of recreational school grounds open to the public per 1,000 residents</p> <p>7.5 acres of total park/open space lands per 1,000 residents through the above and other public land agencies</p> <p>500 sqft of community center space per 1,000 residents</p>
San Diego, CA	<p>"usable acres" of park per capita</p>	<p>2.8 usable acres per 1,000 residents</p>
Vancouver, BC	<p>Percent of population that lives within 5-minute walk of green space</p>	<p>The goal is to have 100% of the population within a 5-minute walk of green space</p>
Davis, CA	<p>Distance of closest park to all dwelling units</p> <p>Acres of park per capita</p>	<p>A neighborhood park with 3/8 mile of all dwelling units</p> <p>5 acres of total park space (1.8 community park, 1.8 neighborhood park, 0.2 mini park, 1.2 other parks) per 1,000 residents</p>
Boston, MA	<p>Quality of parks (ranked from 1 to 5)</p>	<p>No goal</p>
Sacramento, CA	<p>Distance of closest park to all dwelling units</p> <p>Acres of park per capita</p>	<p>There should be a park within a half-mile of all dwelling units</p> <p>5 acres of park space per 1,000 residents</p>

²⁶ The Metrics and Service Goals for each city (except San Francisco) come from that city's most recent general or comprehensive plan update.

²⁷ This can be achieved by either acquiring new open space or by improving existing open space.

4.3 Level of Service Metrics

Two metrics have been identified to measure recreation and open space infrastructure LOS in San Francisco. They are intended to measure total provision of open space and access to open space. The metrics are:

- Acres of City-owned open space per 1,000 service population units (SPU)
- Percent of SPU within a 10-minute (half-mile) walk of open space

4.3.1 Acres of City-Owned Open Space per 1,000 Service Population Units

TABLE 6: ACRES OF CITY-OWNED OPEN SPACE PER 1,000 SERVICE POPULATION UNITS – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	3.0 acres of City-owned open space per 1,000 SPU	2019 population and employment data from SF Planning. Geospatial park directory from SF Recreation and Park.
Short-Term Target²⁸	Maintain 3.0 acres of city-owned open space per 1,000 SPU	Meeting with SF Planning and Rec and Park, September 18, 2019.
Long-Term Aspirational Goal	The City will add 500 acres of open space ²⁹	Emails from SF Planning and Rec and Park, November 21, 2019.

This metric measures the overall provision of park space in San Francisco. The open space acreage metric is confined to City-owned open space in order to reflect the open space upon which the City can effect change. Although the metric speaks about it in terms of acquisition, the expansion of recreational and open space can include improvements that increase the intensity of potential use on already-existing parkland, such as building new sports facilities or playgrounds. For more information about the type of improvements that would meet this expectation, see the *2021 San Francisco Infrastructure Nexus Analysis*.

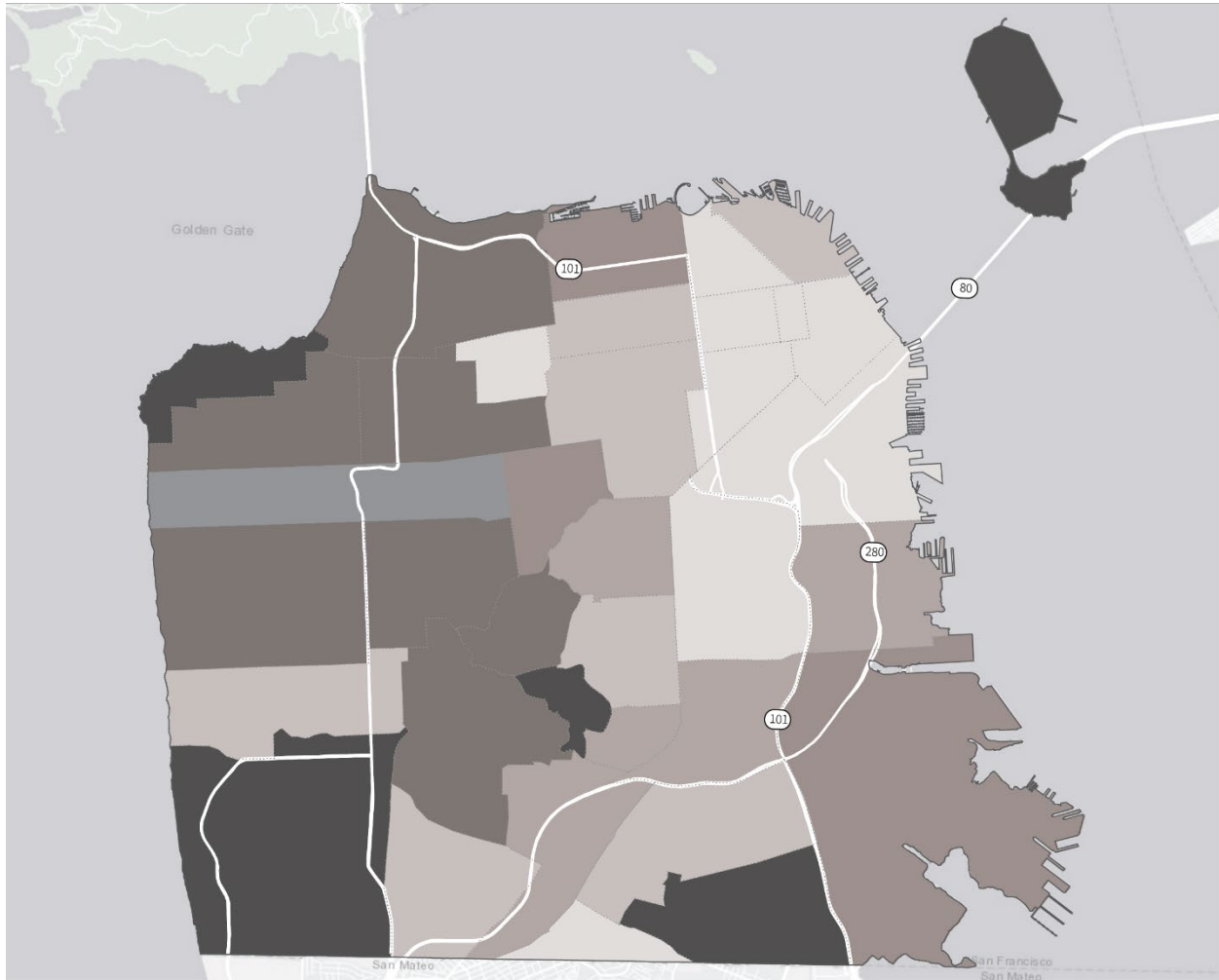
4.3.1.1 Forecasted Demand

By 2025, the City's SPU is projected to grow by 101,000, which would mean adding 301 acres of new open space or park improvement equivalent in that time. By 2040, SPU is projected to grow a further 212,000, to a total of 1,606,000 SPU. If the City maintains the 3.0-acre ratio, there will be sufficient development to finance the 500 acres of total acquisition goal by 2040. However, due to the use of funding for park improvement equivalent and the delay between the collection of funds and use of funds for park space acquisition, the City may not have reached the long term goal by 2040.

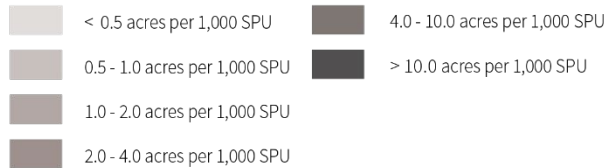
²⁸ To be reached by 2025.

²⁹ As San Francisco's population and workforce continues to grow, keeping the same ratio of open space to SPU will become increasingly difficult. For this reason, the long-term goal sets a total long-term park acquisition number rather than a per-SPU number.

FIGURE 4 : CITY-OWNED OPEN SPACE PER 1,000 SPU, BY NEIGHBORHOOD (2018)



City-Owned* Open Space Per 1,000 Service Population Unit* (SPU) by Neighborhood



LEGEND

- County Boundary
- Highways
- Neighborhoods

City-owned open space: 3,844 acres
 Citywide Average: 3.0 acres per 1,000 SPU
 *City-owned open space includes open space owned by SFRPD, SFDPW, the Port, SFMTA, SFPL, SFPUC, OCII, TIDA, and TJPA
 **The service population unit is calculated based on a 1:0.5 ratio between residents and employees

Note: Golden Gate Park was allocated between the five neighborhoods next to it (Inner and Outer Sunset, Inner and Outer Richmond, and Haight Ashbury).

Source: San Francisco Recreation and Park Department, City Parks 2018

4.3.2 Walking Distance to the Nearest Park

TABLE 7: WALKING DISTANCE TO THE NEAREST PARK – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	100% of SPU are within a 10-minute (half-mile) walk of open space	2019 population and employment data from SF Planning. Geospatial park directory from SF Recreation and Park. Walking network data from Open Street Map.
Short-Term Target	Maintain 100% of SPU within a 10-minute (half-mile) walk of public open space, and improve quality of open space	Meeting with SF Planning and Rec and Park, September 18, 2019.
Long-Term Aspirational Goal	100% of SPU will be within a 10-minute (half-mile) walk of public open space, and improve quality of open space	Meeting with SF Planning and Rec and Park, September 18, 2019.

Walking distance to the nearest park measures the level of park access for San Francisco residents and workers. Note that, unlike the prior metric, this metric includes all publicly-owned open space in San Francisco, including that which is controlled by state or federal agencies.

The current average walk to the nearest park is 3 minutes (725 feet). Roughly 91% of SPU are within a 5-minute (quarter-mile) walk of open space. Walk distances are calculated by measuring the distance along roads and walking paths (rather than “as the crow flies”) from each intersection in the City to the edge of the nearest park, and then averaged across all intersections within each Traffic Analysis Zone (TAZ).³⁰ 100% of SPU are within a 10-minute (half-mile) walk of open space.

4.3.2.1 Forecasted Demand

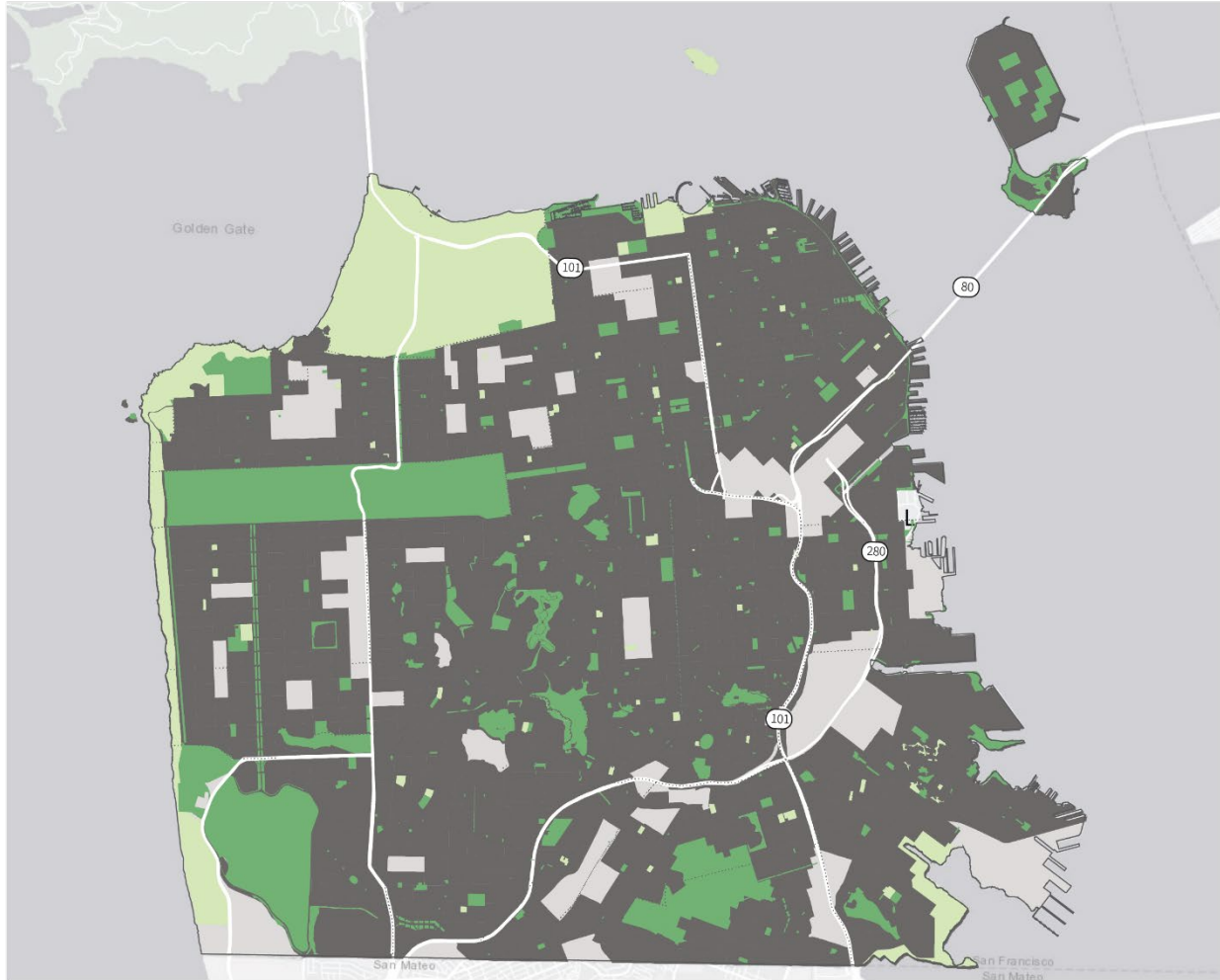
The City of San Francisco is engaged in numerous park improvement projects, from trail restorations to playground improvements to full park renovations. The recently completed Alamo Square Park renovation, for example, included adding a new restroom, over 100 new trees, and a complete overhaul of the irrigation system.³¹ Nearly 100 projects are currently underway, bringing improvements of all kinds to San Francisco park space across the City.³²

³⁰ Traffic Analysis Zones (TAZs) are a way of dividing land area into discrete measurable units for planning purposes. The US Census Bureau designates these zones based on physical land constraints, population and employment density, and certain municipal boundaries. These are sometimes referred to as TAZs or “analysis zones” throughout the report. Note that the walk analysis measures the distance from each intersection, and averages the distance from every intersection in each TAZ to create the value for that TAZ.

³¹ San Francisco Recreation & Park, Alamo Square Park is Now Open. <https://sfrecpark.org/alamo-square-park-is-now-open/>

³² San Francisco Recreation & Park, Active Capital Projects. <https://sfrecpark.org/park-improvements/currentprojects/>

FIGURE 5: PROXIMITY OF RESIDENTS TO OPEN SPACE



Proximity of Service Population to Recreation and Open Space

- Within 5 minutes walk
- 5 to 10 minutes walk

The walking network for the City of San Francisco was obtained from Open Street Map as a series of nodes and a database of distances and connections between nodes. "Node" refers to any intersection of two or more paths. Any node located inside of or next to (within 50 feet of) a park was set as a Point of Interest (POI), and then the network distance from each node to the nearest POI was calculated based on the database of distances and connections between nodes (as opposed to "as the crow flies"). Finally, each analysis zone was assigned the average walking distance of the nodes within its boundaries.

Source: San Francisco Recreation and Park Department, San Francisco Open Street Map, City Parks 2018, San Francisco population estimates 2019.



LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

5 Child Care Facilities

While the City of San Francisco is not directly responsible for funding or operating child care facilities, the Office of Early Care and Education (OECE), First 5 San Francisco, and San Francisco Child Care Planning and Advisory Council (CPAC) work to promote the access to quality child care for San Francisco’s children and families. The City’s role includes subsidizing child care costs for low/moderate income families, funding support services and resources for early education programs (such as health screenings, mental health consultation, and quality initiatives), and counseling policy-makers, planners, and funders about child care needs in San Francisco. Finally, the City helps acquire funds for facility construction of new child care facilities.

This section discusses child care in San Francisco and describes two metrics to measure and evaluate the City’s current provision of child care infrastructure. Note that the child care nexus fee, calculated in the *2021 San Francisco Infrastructure Nexus Analysis*, uses a linkage methodology, and the current level of service is not factored into the maximum fee calculation. Furthermore, the nexus calculation, which was completed after this report and had additional data available, includes 5-year-olds in its estimation of child care demand, whereas this report only includes child care demand from children under 5 (i.e., children ages 0-4 years old). For more information, see the *2021 San Francisco Infrastructure Nexus Analysis*. The policy documents reviewed in this section’s creation are enumerated in Table 8.

TABLE 8: CHILD CARE PROVISION GUIDING POLICY DOCUMENTS

Policy Document	Year	Key Contributions
San Francisco Early Care and Education Needs Assessment	2017	<ul style="list-style-type: none"> Information on the provision of child care slots in traditional child care centers and family care centers Information on the percentage of total child care slots available to each age group
San Francisco Infrastructure Level of Service Analysis	2014	<ul style="list-style-type: none"> Background information on child care standards Methodology for calculating child care need

5.1 Background

The City of San Francisco recognizes the importance of child care, particularly for young children. Child care needs differ depending on age, and typically care is divided into three age-based brackets: infant/toddler, preschool, and school-age. The City defines infants/toddlers as children aged 0 to 2, preschoolers as children aged 3 to 4, and school-age children as being 5 or older.³³

Child care can be divided into types of care as well: licensed child care centers (CCCs), licensed family child care homes (also known as family child care, or FCCs), and license exempt child care. License exempt care can mean formal programs, like the YMCA or programs run by San Francisco Recreation and Park, or it can refer to more informal care, like stay-at-home parents, nannies, and that provided by families, friends, and neighbors. License exempt care is beyond the purview of this report.

³³ The San Francisco Early Care and Education Needs Assessment defines preschool as ages 3 to 5 and school-age as starting at age 6. However, this report defines preschool as ages 3 to 4, and school-age as starting at age 5. This narrower definition of preschool age is consistent with other municipalities such as Vancouver, San Diego, and San Jose.

Licensed child care centers, or CCCs, are institutions that provide facilities typically located in a commercial building. CCCs generally offer care for larger numbers of children divided into narrow age groups and have separate staff for each group. Family child care programs, or FCCs, are private homes where the homeowner provides child care, sometimes with a small number of support staff. FCCs have lower capacity, typically mix children of different age groups together, and are more likely to offer care at non-traditional hours than CCCs.³⁴

The discussion in this section will focus on both CCCs and FCCs (excluding license exempt care) since both types of facilities require licensing from the State of California, and the City only provides capital funding to licensed facilities. Furthermore, since school-age care is primarily provided at school district sites by San Francisco Unified School District and community partners, the discussion of child care here will focus only on infant/toddler care and preschool care.

Both previous studies and current data indicate that there is a strong demand for licensed child care. CPAC's 2017 report, the *San Francisco Early Care and Education Needs Assessment*, indicates that infant/toddler care is difficult to provide in large part due to the high cost of providing the appropriate staff-to-infant ratio.³⁵ As a result, there is large demand for this type of care. Preschool care is more adequately supplied than infant/toddler care, in part due to Proposition H, a Charter Amendment passed in 2004 to fund preschool care.³⁶

Demand for child care comes from a combination of City residents and non-residents who work within San Francisco. Although most parents seek child care near their place of residence, a small portion seek child care near their place of work instead. The large number of workers in San Francisco who commute in from outside the City create a moderate demand for child care based on place of employment.

Child care demand is calculated by estimating the pool of children requiring licensed child care, based on labor force participation rates and an estimated proportion of parents who use formal licensed care. Detailed child care demand calculations are included in the appendix (Section 11.7: Child Care Demand Calculations). All child care demand values used in this section are based on the calculations described in the appendix, section 11.7.

5.2 Case Study Comparisons

Considering child care provision as infrastructure is not a common policy for city governments (compared to streets or parks, for example), and it is less frequently addressed by municipal plans and policies. In a survey of case study cities, none were found to have both metrics and service goals for measuring the provision of child care facilities. A number of cities (or their respective county governments) track the provision of child care slots, but do not use a defined metric to determine level of service. See Table 10 for more details.

Table 9 compares the provision of infant/toddler and preschool care slots relative to need across case study municipalities. The Hatch team used the broadly applicable metric of total infant/toddler/preschool-aged children with all parents in labor force to estimate the level of service. This measure is referred to as child care

³⁴ Child Care Aware of America, Types of Child Care. <https://www.child-careaware.org/types-child-care/>

³⁵ San Francisco Early Care and Education Needs Assessment (2017), page 71.

³⁶ San Francisco Unified School District. "Public Education Enrichment Fund (PEEF)." Web. 30 Jul. 2019. <http://www.sfusd.edu/en/about-sfusd/voter-initiatives/public-education-enrichment-fund.html>

“need” throughout this report, to distinguish it from the recommended child care demand metric detailed later in this section.

TABLE 9: LOS PROVISION COMPARISON – CHILD CARE

City	Infant/Toddler Care Slots	Preschool Slots	Infant/Toddler and Preschool age children with all parents in labor force	% of total estimated need met
San Francisco, CA ³⁷	1,414 ³⁸	14,774 ³⁸	31,871	51%
Minneapolis, MN ³⁹	16,746	n/a	23,204	72%
San Jose, CA ⁴⁰	7,408	43,778	87,597	58%
San Diego, CA ⁴¹	13,248	74,629	148,010	59%
Los Angeles, CA ⁴²	27,977	178,853	454,048	46%
Vancouver, BC ⁴³	57,367	n/a	70,470	81%
Portland, OR ⁴⁴	23,153	unknown	34,598	67%
Seattle, WA ⁴⁵	15,463	28,263	90,018	49%
New York, NY ⁴⁶	228,997	n/a	394,292	58%
Davis, CA ⁴⁷	unknown	1,743	1,945	90%
Boston, MA ⁴⁸	20,785	unknown	29,743	70%
Sacramento, CA ⁴⁹	36,090	unknown	71,057	51%

Note. Some cities do not separate infant/toddler care from preschool care, or even school-age care. Licensed capacity information for cities/counties with missing information in other categories may represent a

³⁷ San Francisco Early Care and Education Needs Assessment (2017)

³⁸ To be consistent with the other cities in this table, this figure does not include FCCs.

³⁹ Think Small, Minnesota Child Care Programs Summary (2019)

⁴⁰ Santa Clara County 2018 Child Care Needs Assessment (2018)

⁴¹ San Diego County Child Care and Development Planning Council (LPC) County Needs Assessment (2016)

⁴² Los Angeles County 2017 Needs Assessment Technical Report (2017)

⁴³ A Municipal Survey of Child Care Spaces and Policies in Metro Vancouver (2015); StatCan: Families with Children by Age of Children and Children by Age Groups (2016); StatCan: Employment Patterns of Families with Children (2014)

⁴⁴ Child Care and Education in Multnomah County (2014)

⁴⁵ Child Care Aware of Washington, Annual Data Report: Trends, Child Care Supply, Cost of Care, & Demand for Referrals (2017)

⁴⁶ New York State Child Care Demographics (2017)

⁴⁷ Assessing the Need for Preschool for All in Yolo County (2016)

combination of infant/toddler care and preschool care. For this reason, one LOS-number is given for meeting total child care need, rather than separating it out by age.

TABLE 10: LOS METRICS AND SERVICE GOALS – CHILD CARE

City	Metric ⁵⁰	Service Goals
San Francisco, CA	Proposed: <ul style="list-style-type: none"> Percent of infant/toddler care demand met by licensed capacity Percent of preschool care demand met by licensed capacity 	Proposed: <ul style="list-style-type: none"> Near term: Licensed capacity to meet 20% of infant/toddler care demand and 100% of preschool care demand Long term: Licensed capacity to meet 50% of infant/toddler care demand and 100% of preschool care demand
San Jose, CA	Need relative to capacity for infant/toddler care, preschool, and school-age care	None
San Diego, CA	Need relative to capacity for infant/toddler care, preschool, and school-age care	None
Los Angeles, CA	Need relative to capacity for infant/toddler care, preschool, and school-age care	None
Vancouver, BC ⁵¹	None	Spend \$86 million (CAD) on child care infrastructure (new development and maintenance) by the end of 2022
New York, NY	Total capacity for infant/toddler care, preschool, and school-age care	None
Davis, CA	Need relative to capacity for infant/toddler care, preschool, and school-age care	None
Sacramento, CA	Need relative to capacity for infant/toddler care, preschool, and school-age care	None

⁴⁸ Child Care Aware of Massachusetts, Mapping the Gap: Supply & Demand for Child Care in MA (2018)

⁴⁹ First 5 Sacramento Annual Evaluation Report (2017)

⁵⁰ Sources the same as for Table 9 (except Vancouver).

⁵¹ City of Vancouver 2019-2022 Capital Plan (2018)

5.3 Level of Service Metrics

Two metrics were identified to measure child care LOS provision:

- Percent of infant/toddler care demand met by licensed capacity
- Percent of preschool care demand met by licensed capacity

Note that this section calculates child care demand from children under the age of 5. The *2021 San Francisco Infrastructure Nexus Analysis*, which was completed after this report and had additional data available, includes 5-year-olds in its child care demand calculation (i.e., children ages 0-4 years old).

5.3.1 Percent of Infant and Toddler Child Care Demand Served by Available Slots

TABLE 11: PERCENT OF INFANT/TODDLER CARE DEMAND SERVED BY AVAILABLE SLOTS – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	19% of demand for infant/toddler care met by licensed capacity	Child care demand methodology detailed in the appendix. Child care supply data provided by SFOECE.
Short-Term Target	100% of new demand for infant/toddler care created by new development will be met by new licensed capacity	Email from Mathew Snyder (SF Planning) on 4/15/2020, and consistent with the SFOECE 2017 Needs Assessment.
Long-Term Aspirational Goal	100% of new demand for infant/toddler care created by new development will be met by new licensed capacity	Email from Mathew Snyder (SF Planning) on 4/15/2020, and consistent with the SFOECE 2017 Needs Assessment.

This metric measures the provision of infant and toddler care slots relative to demand in San Francisco. Demand is calculated based on the number of resident infants and toddlers in San Francisco, the percentage of young children in San Francisco with both parents working, the number of workers commuting in to San Francisco who might seek child care in the City close to where they work rather than where they live, and the percent of San Francisco residents who work outside the City and may bring their child out of the city with them for child care. For further details, see Table 43 in the appendix.

Citywide, licensed infant/toddler care provision in San Francisco is estimated at 3,515 slots, which meets 19% of the estimated 18,096 slots demanded for licensed infant/toddler care. On a neighborhood level, the results are more varied, as shown in Figure 6. The median neighborhood meets 16% of its locally generated infant/toddler care demand, while the bottom quartile has a level of service of 5% or lower and the top quartile has a level of service of 27% or higher. From 2014 (the previous San Francisco LOS report) to 2019, infant/toddler care level of service dropped from 37% to 19% due to residential and employment growth outpacing growth in licensed infant/toddler care capacity.

5.3.1.1 Forecasted Demand

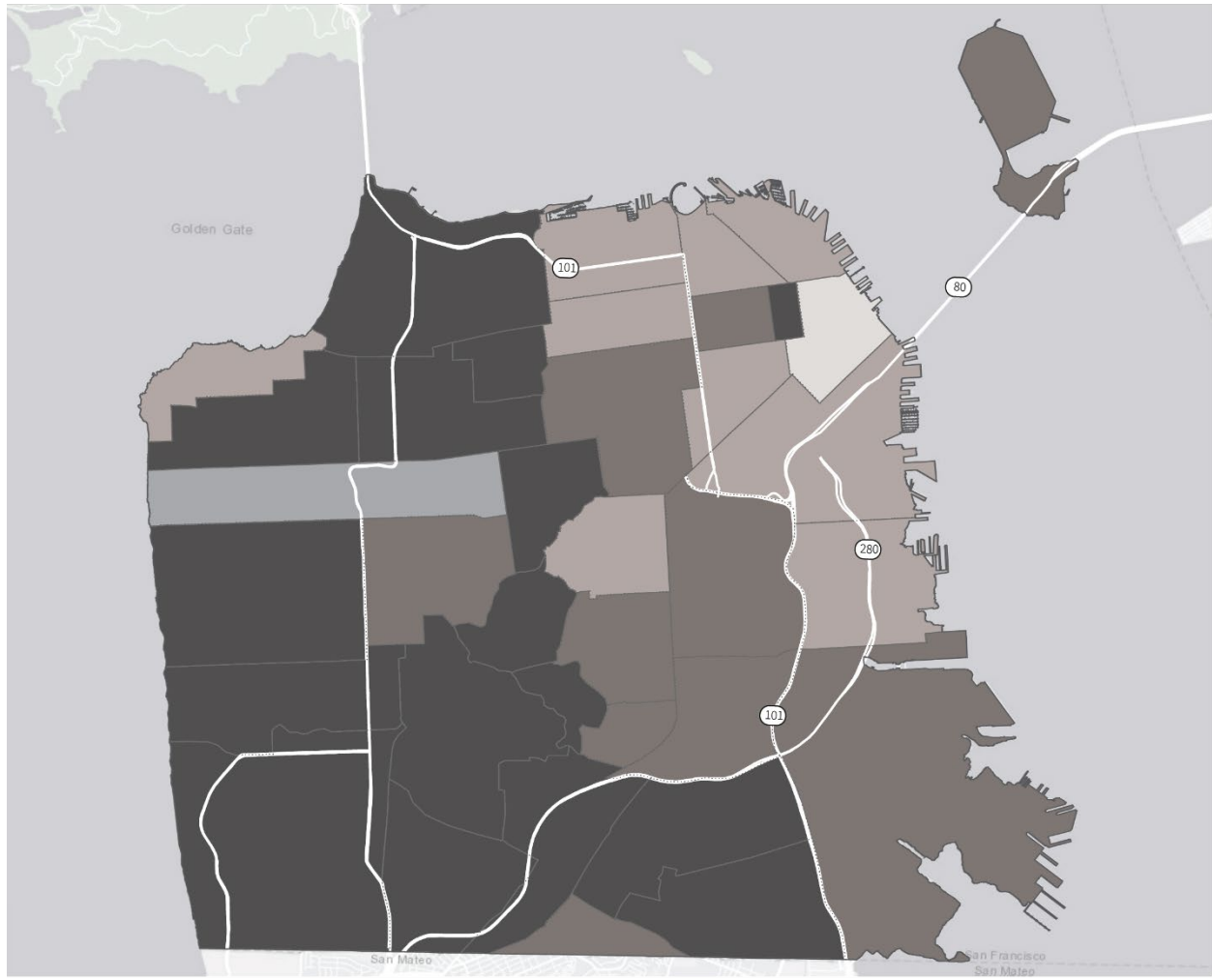
Residential and employment growth in San Francisco from 2019 to 2025 is projected to create demand for an additional 1,359 infant/toddler care slots, bringing total infant/toddler care demand to 19,455. To meet the short-term target, San Francisco would need to add 1,359 slots of infant/toddler care through 2025, bringing total citywide infant/toddler care provision to 4,874 slots in 2025. By 2040, demand for infant/toddler care is expected to grow a further 2,085 slots beyond 2025 demand levels, to a total citywide demand of 21,540 slots. To continue meeting 100% of new demand for infant/toddler care, San Francisco would need to add 2,085 slots of infant/toddler care from 2025 through 2040, bringing total citywide licensed capacity to 6,959 slots in 2040.⁵² This would be consistent with the SFOECE 2017 Needs Assessment, which calls for more licensed capacity for infant/toddler care.

The neighborhoods experiencing the highest levels of service for infant/toddler care tend to be concentrated on the west side of the City, as shown in Figure 6. The high concentration of jobs in the financial district and surrounding neighborhoods means that demand in those neighborhoods is unusually high, which reduces the overall LOS in those neighborhoods. Projected growth in demand for infant/toddler care is concentrated in the eastern neighborhoods, with South of Market experiencing the largest raw growth in demand (440 by 2025, 949 by 2040) and Potrero Hill experiencing the largest percent growth in demand (35% by 2025, 81% by 2040⁵³).

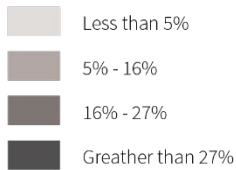
⁵² Note that the 4,874 infant/toddler care slots by 2025 and 6,959 slots by 2040 targets are dependent on fee revenue from growth that will be happening through those target years. Due to the time it takes to construct new child care space, actual provision of infant/toddler care slots may not reach the target number in the target years.

⁵³ Technically, Treasure Island is expected to experience the largest percent growth by 2040 (116%). This, however, is because current demand there is so low; Treasure Island is expecting a growth in infant/toddler care demand of 35 slots by 2040, compared with Potrero Hill's projected demand growth of 295 slots.

FIGURE 6: SHARE OF INFANT AND TODDLER (0-2) CHILD CARE DEMAND SERVED BY AVAILABLE LICENSED SLOTS



Percent of Demand Served by Available Licensed Slots



LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

Citywide average: 19% of infant and toddler slots demand served by available licensed slots.
 Note: Due to security reasons specific location of childcare facilities are not shown on the maps.

Source: San Francisco Human Services Agency, San Francisco Early Care and Education Needs Assessment (2017), San Francisco Infrastructure Level of Service Analysis (2014)

5.3.2 Percent of Preschool Demand Served by Available Slots

TABLE 12: PERCENT OF PRESCHOOL DEMAND SERVED BY AVAILABLE SLOTS – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	88% of demand for preschool care met by licensed capacity	Child care demand methodology detailed in the appendix. Child care supply data provided by SFOECE.
Short-Term Target	100% of new demand for preschool care created by new development will be met by new licensed capacity	Email from Mathew Snyder (SF Planning) on 4/15/2020, and consistent with the SFOECE 2017 Needs Assessment.
Long-Term Aspirational Goal	100% of new demand for preschool care created by new development will be met by new licensed capacity	Email from Mathew Snyder (SF Planning) on 4/15/2020, and consistent with the SFOECE 2017 Needs Assessment.

This metric measures the provision of preschool slots relative to demand in San Francisco. Like the previous metric, demand is calculated based on the number of resident preschool-age children in San Francisco, the percentage of children in San Francisco with both parents working, the number of workers commuting to San Francisco who may seek child care in the City, and the percent of San Francisco residents who work outside the City and may bring their child with them for child care. For further details, see Table 44 in the appendix.

Citywide, licensed preschool provision in San Francisco is estimated at 18,971 slots, which meets 88% of the estimated 21,540 slots demanded for preschool care. On a neighborhood level, the results are more varied, as shown in Figure 7. The median neighborhood meets 77% of its locally generated preschool care demand, while the bottom quartile has a level of service of 38% or lower. The top quartile has a level of service of 114% or higher. The high levels of service found in the top quartile of neighborhoods indicate that the market for child care, and preschool care, spans across neighborhoods. In other words, there is a market willingness to seek care outside of one's own neighborhood, though it is unclear whether those consumers would seek care in their own neighborhood if it were available. From 2014 (the previous San Francisco LOS report) to 2019, preschool care level of service dropped from 99.6% to 88% due to residential and employment growth outpacing growth in licensed preschool capacity.

5.3.2.1 Forecasted Demand

Residential and employment growth in San Francisco from 2019 to 2025 is projected to create demand for an additional 1,638 preschool slots, bringing total preschool care demand to 23,178. To meet the short-term target, San Francisco would need to add 1,638 slots of preschool care through 2025, bringing total citywide preschool provision to 20,609 slots in 2025. By 2040, demand for preschool care is expected to grow a further 2,796 slots beyond 2025 demand levels, to a total citywide demand of 25,974 slots. To continue meeting 100%

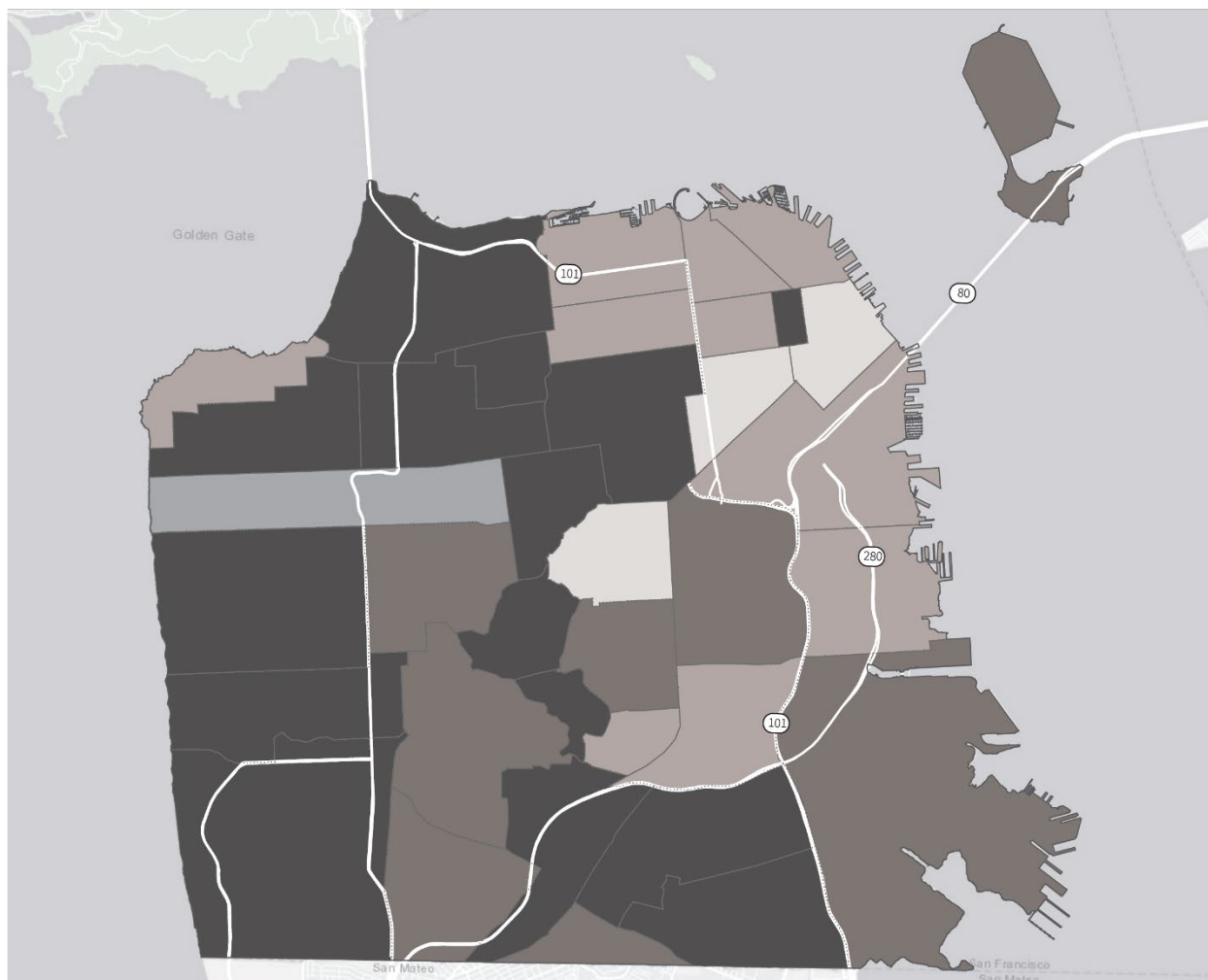
of new demand for preschool care, San Francisco would need to add 2,796 slots of preschool care from 2025 through 2040, bringing total citywide licensed capacity to 23,405 slots in 2040.⁵⁴

The neighborhoods experiencing the highest levels of service for preschool care tend to be concentrated on the west side of the City, as shown in Figure 7. The high concentration of jobs in the financial district and surrounding neighborhoods means that demand in those neighborhoods is unusually high and pushes the LOS down in those neighborhoods. Projected growth in demand for preschool care, however, is concentrated in the eastern neighborhoods, with South of Market experiencing the largest raw growth in demand (473 by 2025, 1,060 by 2040) and Potrero Hill experiencing the largest percent growth in demand (32% by 2025, 77% by 2040⁵⁵).

⁵⁴ Note that the 20,609 preschool slots by 2025 and 23,405 slots by 2040 targets are dependent on fee revenue from growth that will be happening through those target years. Due to the time it takes to construct new child care space, actual provision of preschool slots may not reach the target number in the target years.

⁵⁵ Technically, Treasure Island is expected to experience the largest percent growth by 2040 (108%). This is because child care demand in Treasure Island is relatively low. Treasure Island is expecting a growth in preschool care demand of 41 slots by 2040, compared with Potrero Hill's projected demand growth of 338 slots.

FIGURE 7: SHARE OF PRESCHOOL-AGE (3-4) CHILD CARE DEMAND SERVED BY AVAILABLE LICENSED SLOTS



Percent of Demand Served by Available Licensed Slots

- Less than 38%
- 38% - 77%
- 77% - 114%
- Greater than 114%



LEGEND

- County Boundary
- Highways
- Neighborhoods

Citywide average: 88% of preschool age children demand served by available licensed slots.
 Note: Due to security reasons specific location of childcare facilities are not shown on the maps.

Source: San Francisco Human Services Agency, San Francisco Early Care and Education Needs Assessment (2017), San Francisco Infrastructure Level of Service Analysis (2014)

6 Complete Streets Infrastructure

Complete Streets infrastructure covers the streetscape, pedestrian, and bicycle infrastructure in the City of San Francisco. This includes right-of-way components such as sidewalks, street trees, curb ramps, lighting, bulb-outs, and bicycle lanes. In the previous Infrastructure LOS report, bicycle infrastructure was evaluated separately from streetscape and pedestrian infrastructure. As bicycle and pedestrian elements work in tandem to create a safer and more sustainable transportation system, this report represents a new method for combining them all into a single metric. The policy documents referenced in this section are listed in Table 13.

TABLE 13: COMPLETE STREET GUIDING AND REFERENCE POLICY DOCUMENTS

Policy Document	Year	Key Contributions
Better Streets Plan	2011	<ul style="list-style-type: none">• Overview of recommended streetscape and pedestrian infrastructure elements• Pedestrian, bicycle, safety, and lighting goals
ConnectSF	2018	<ul style="list-style-type: none">• Guidance on the future of San Francisco’s transportation infrastructure
San Francisco Transportation Plan	2013	<ul style="list-style-type: none">• Planned transportation infrastructure investments and mode share goals
San Francisco Transportation 2045 Task Force Report	2018	<ul style="list-style-type: none">• Proposed methods for funding the infrastructure investment called for in other transportation plans
SFMTA Strategic Plan	2018	<ul style="list-style-type: none">• Contains several metrics to measure improvements in the mobility, accessibility, and sustainability of San Francisco’s transportation system. Also includes goals to be achieved by 2020.
Transportation Climate Action Strategy	2017	<ul style="list-style-type: none">• Contains plans and goals for reducing emissions from San Francisco’s transportation system
San Francisco Infrastructure Level of Service Analysis	2014	<ul style="list-style-type: none">• Background information on streetscape standards, including pedestrian and bicycle• Information on the previous LOS estimate for bicycle and pedestrian complete streets infrastructure

6.1 Background

6.1.1 Streetscape and Pedestrian Infrastructure

The concept of “complete streets” is articulated in the 2011 San Francisco Better Streets Plan (BSP), along with Section 2.4.13 of San Francisco’s Public Works Code.⁵⁶ The BSP puts forward streetscape specifications through guidelines for pedestrian environment design that balance the needs of all street users. The BSP highlights three categories in its recommendations: safety, creation of social space on the sidewalk, and pedestrian aesthetic. Sidewalk widths, street trees, intersection safety, street lighting, curb ramps, and bulb-

⁵⁶ Complete Streets are defined as streets which “are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders.” Metropolitan Transportation Commission, “MTC One Bay Area Grant: Complete Streets Policy Development Workshop.” 16 October 2012. Section 2.4.13 of San Francisco’s Public Works Code outlines San Francisco’s complete streets policy, including the construction of transit, bicycle, stormwater, and pedestrian improvements. Pedestrian environment improvements include sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements listed as defined in the Better Streets Plan.

outs are the main components that form the complete street concept. Limited data availability for most of these key components is the major obstacle to achieving a complete measure of their provision.

Sidewalks are the foundation of pedestrian infrastructure, providing a path of travel and an opportunity for place-making. Sidewalk width is the key factor affecting pedestrian capacity, pedestrian comfort, and providing space for amenities, landscaping, and other streetscape elements. Curb ramps are a key component of sidewalks, providing pedestrian access between the sidewalk and roadway for people using wheelchairs, strollers, walkers, crutches, handcarts, and bicycles, and for pedestrians who have trouble stepping up and down high curbs. Bulb-outs are another key safety measure, extending the sidewalk into the parking lane to narrow the roadway and provide additional pedestrian space at key locations, enhancing pedestrian safety by increasing pedestrian visibility, shortening crossing distances, slowing turning vehicles, and visually narrowing the roadway.⁵⁷

The BSP provides a clear guideline on sidewalk widths for different types of streets. Major new development or redevelopment areas that create new streets must meet or exceed recommended sidewalk widths per Planning Code Section 138.1. Roughly 62% of City sidewalks meet the BSP recommended widths, which range from 9 feet on alleys to 15 feet on park edge streets.⁵⁸ Although the unique nature of each street sometimes makes it impossible to reach the BSP-defined sidewalk width minimum or goal, these metrics provide a reasonable census of the City's current sidewalk infrastructure.

Street trees are the archetypal street landscaping that contribute to the pedestrian environment. Streets with trees planted in lines along side of the road are perceived as narrower, which slows down the traffic speed and increases pedestrian safety.⁵⁹ In addition, tree-lined streets enhance the aesthetic environment, making people more comfortable spending time on the street as pedestrians. Trees also mitigate the urban heat island effect by providing shade over paved sidewalks and roads. There are currently about 125,000 street trees existing on roughly 1,200 miles of roads in San Francisco.⁶⁰ The Urban Forest Plan, in collaboration with SFDPW, has provided a long-term goal of increasing the number of street trees in San Francisco up to 155,000 by 2034.⁶¹

As a comparison, the city of Boston, with a land area about the same size as San Francisco, currently has an estimated 150,000 street trees.⁶² Most of these were introduced as part of a 2013 plan to plant 100,000 street trees by 2020. Similarly, New York City has an ambitious Million Trees NYC program that aims to add an additional one million trees to the city's urban forest over the next decade.⁶³

⁵⁷ SF Better Streets, <https://www.sfbetterstreets.org/>.

⁵⁸ Hatch internal analysis based on data from SF Department of Public Works

⁵⁹ Wolf, K.L. 2010. Safe Streets - A Literature Review. In: Green Cities: Good Health (www.greenhealth.washington.edu). College of the Environment, University of Washington.

⁶⁰ Data from SF Planning Department and SF Department of Public Works

⁶¹ San Francisco Urban Forest Plan (2015) was developed in collaboration with San Francisco Public Works, the Urban Forestry Council, and Friends of the Urban Forest, providing a long-term vision and strategy to improve the health and sustainability of the City's urban forest.

⁶² Boston Open Data, retrieved on July 31, 2019 from: https://bostonopendata-boston.opendata.arcgis.com/datasets/ce863d38db284efe83555caf8a832e2a_1?geometry=-72.363%2C42.181%2C-69.75%2C42.536

⁶³ Million Trees NYC. Million Trees NYC. MTNYC, 2013. <http://www.milliontreesnyc.org/html/home/home.shtml>

6.1.2 Bicycle infrastructure

The City currently manages 430 miles of bicycle network⁶⁴ on the City's roughly 1,200 miles of road, with a bicycle mode share of approximately 2%.⁶⁵ Traditionally, bicycle networks are classified into four categories:

- **Class I** bikeways, also known as bike paths or shared-use paths, are facilities with exclusive right of way for bicyclists and pedestrians, away from the roadway and with cross flows by motor traffic minimized. In some instances, separate pedestrian facilities are provided. Note that, although Class I bikeways are not on roadways, they are included in the general “bike lanes” concept as used in the remainder of this report.
- **Class II** bikeways are bike lanes established along streets and are defined by pavement striping and signage to delineate a portion of a roadway for bicycle travel. Bike lanes are one-way facilities, typically striped adjacent to motor traffic travelling in the same direction.
- **Class III** bikeways, or bike routes, designate a preferred route for bicyclists on streets shared with motor traffic not served by dedicated bikeways to provide continuity to the bikeway network. Bike routes are generally not appropriate for roadways with higher motor traffic speeds or volumes.
- **Class IV** refers to a separated bikeway and is often referred to as a “cycle track” or “protected bike lane.” The bikeway is for the exclusive use of bicycles, physically separated from motor traffic with a vertical feature.

Almost half of San Francisco's bikeway network is Class III (209 miles), while Class IV makes up the smallest portion (20 miles). Most of the City's planned improvements to the bikeway network involve upgrading the existing network (for example, upgrading Class III bikeway to Class II or Class IV) rather than increasing the size of the network.⁶⁶

A typical measure of bicycle transportation is bicycle mode share. Mode share measures the percentage of all transportation trips that use a given “mode” – in this case, the percentage of all trips made by bicycle. As noted above, San Francisco currently has a bicycle mode share of approximately 2%, meaning that 2% of all trips in San Francisco are taken via bicycle. The City does not currently have a bicycle-specific mode share target, but does have a target to reach an 80% sustainable mode share by 2030.⁶⁷ Achieving this target would mean that, by 2030, 80% of all trips in San Francisco would be bicycle, pedestrian, or transit trips. San Francisco's current sustainable mode share is 47%.⁶⁸

While it is useful to evaluate how people are traveling, as a metric, mode share has no direct connection to infrastructure; for example, a percentage point of mode share cannot defensibly be equated to miles of bikeway. Instead, in the 2017 update to the San Francisco Transportation Plan, the Transportation Authority has identified the bike infrastructure necessary to move towards the City's target mode share.⁶⁹

⁶⁴ Note that this measure counts bike lanes on opposite sides of the same street separately.

⁶⁵ Fehr & Peers, 2013 - 2017 Travel Decision Survey Data Analysis and Comparison Report

⁶⁶ Meeting with SFMTA, 6/19/2019

⁶⁷ SFMTA, San Francisco Transportation Sector Climate Action Strategy (2017)

⁶⁸ SFMTA Travel Decision Survey 2019

⁶⁹ SFCTA, San Francisco Transportation Plan, 2017 update

6.2 Case Study Comparisons

Due to the variety of Complete Streets components and the numerous ways to measure them, Table 14 combines existing LOS with metrics and service goals to show how each case study city is performing according to its own metrics. Unlike other infrastructure categories, there is no consensus among case study cities for how to measure Complete Streets. The proposed Complete Streets metric for San Francisco combines all of the numerous Complete Streets infrastructure components into a single metric, and is detailed in Section 6.3.

TABLE 14: LOS METRICS, PROVISION, AND SERVICE GOALS – COMPLETE STREETS

City	Metric	Existing Condition	Service Goals
San Francisco, CA ⁷⁰	Traffic Fatalities	23 (2018)	0 by 2024
	Increase Enforcement Hours focused on Speeding	N/A	Increase by 30%
	Increase Sustainable Mode Share	9–10% walking, 2.5% biking, 715,000 average weekday MUNI trips	80% sustainable mode share by 2030
Minneapolis, MN ⁷¹	Miles of bikeways	3,908 miles	6,773 miles by 2,020
	Percent of bicycle mode share increasing among underrepresented communities	N/A	5% faster than citywide increase
	Percent of major transportation hubs with adequate bicycle parking	50% (2015)	100% (2020)
	Percent of intersections with actuated signals and detection	50% (2015)	100% (2020)
	Number of bicycle parking spaces	N/A	Increase by 300 spaces per year
San Jose, CA ⁷²	Bikeway Network	342 (2016)	Complete 25 miles each year, and complete 500 miles by 2020
	Bike mode share	1% Citywide, 4% Downtown (2016)	5% by 2020

⁷⁰ San Francisco Infrastructure Level of Service Analysis (2014); San Francisco Transportation Sustainability Fee Nexus Study (2013); SFMTA Strategic Plan Performance Metrics & Targets (2018); San Francisco Pedestrian Strategy (2013); San Francisco Bicycle Strategy (2013)

⁷¹ Vision Zero Minneapolis (2019); Minneapolis Pedestrian Master Plan (2009); City of Minneapolis Bicycle Master Plan (2011); The 2040 Transportation Policy Plan (2015)

⁷² San José Access & Mobility Plan: Transportation Directives (2019); San José Bike Plan 2020 (2009); Vision Zero San Jose 2017-2018 Action Plan (2016)

City	Metric	Existing Condition	Service Goals
	Bike parking	2,570 (2016)	Install 500 new spaces each year, and add 5,000 spaces by 2020
San Diego, CA ⁷³	Bike mode share of commute trips	0.0346	n/a
	Class 1 bicycle network	72.3 miles	166.4 miles
	Class 2 bicycle network	309.4 miles	450.0 miles
	Class 3 bicycle network	112.9 miles	284.1 miles
Los Angeles, CA ⁷⁴	Miles of class 1 bike facility	341 miles (2014)	Increase 10% per year
	Miles of class 2 bike facility	1,046 miles (2014)	Increase 10% per year
	Miles of class 3 bike facility	614 miles (2014)	Increase 10% per year
	Miles of class 4 bike facility	6 miles (2014)	Increase 100% per year
Portland, OR ⁷⁵	Bike mode share of commute trips	N/A	25% by 2035
	Miles of regional trails	229 miles	Increase 50% by 2040
	Miles of regional bikeways	623 miles	Increase 50% by 2040
Seattle, WA ⁷⁶	Bicycle network completed	167 miles (2016)	608 miles by 2035
New York, NY ⁷⁷	Miles of bike lanes	N/A	Add 50 miles each year; Add 200 miles by 2021
	Number of accessible pedestrian signals		Install 75+ signals each year
Davis, CA ⁷⁸	Bicycle mode share of all trips	N/A	30% by 2020
Boston, MA ⁷⁹	Number of street trees excluding park trees	37,000 street trees (2015)	Plant 100,000 trees and increase the City's green canopy 20% by 2020 and 35% by 2030
	Miles of bicycle network	120 miles (2013)	356 miles by 2043
Santa Monica, CA ⁸⁰	Number of on- and off-street public charging stations for electric vehicles	89 (2017)	300 by 2020 1,000 by 2025
	Percent of bike commuters	12% (2015)	25% by 2030

⁷³ Vision Zero: Traffic Deaths and Severe Injuries (2018); City of San Diego Pedestrian Master Plan (2006); City of San Diego Bicycle Master Plan (2013)

⁷⁴ LA Metro Active Transportation Strategic Plan (2016); Los Angeles Mobility Plan 2035 (2016)

⁷⁵ Portland Transportation System Plan (2018); Portland Regional Transportation Plan (2014)

⁷⁶ Seattle Bicycle Master Plan (2017) - 2017-2021

⁷⁷ NYCDOT Strategic Plan (2016); NYCDOT Mobility Report (2018); OneNYC Progress Report (2018)

⁷⁸ City of Davis Beyond Platinum Bicycle Action Plan (2014)

⁷⁹ Boston Complete Streets Design Guidelines (2013); Boston Bike Network Plan (2013)

⁸⁰ Electric Vehicle Action Plan (2017); Santa Monica Bike Action Plan (2011); Santa Monica Pedestrian Action Plan (2016); Santa Monica Urban Forest Master Plan

City	Metric	Existing Condition	Service Goals
	Miles of bike lanes/paths	69 miles (2015)	88.7 miles (2030)
	Miles of bike lane/path per square mile	1.9	n/a
	Miles of Bike Lane/Path per 100,000 Residents	33.1 (2010)	n/a
	Percent of intersections lacking curb ramps	0.045	n/a
Sacramento, CA ⁸¹	Bicycle mode share for commute trips	0.025	7% by 2020
	On-street bikeways	316 miles	464 miles
	Off-street bikeways	88 miles	208 miles

6.3 Level of Service Metrics

Although there are a number of infrastructure components that make up Complete Streets, the Hatch team uses one metric to represent the infrastructure category:

- Square Feet of Complete Streets Sidewalk per Service Population Unit (SPU)⁸²

6.3.1 Square Feet of Complete Streets Sidewalk per Service Population Unit

TABLE 15: SQUARE FEET OF SIDEWALK PER SPU – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	118 square feet of Complete Streets Sidewalk per SPU	Data from SF Planning and SF Department of Public Works.
Short-Term Target	Maintain 118 square feet of Complete Streets Sidewalk per SPU	Meeting with SF Planning, October 16, 2019.
Long-Term Aspirational Goal	Maintain 118 square feet of complete streets sidewalk per SPU	Meeting with SF Planning, October 16, 2019.

This metric is intended to measure the overall provision of complete streets infrastructure in San Francisco, including sidewalks, gutters, street trees, curb ramps, bulb outs, and bike lanes, and street lights. Because square feet of sidewalk is the most plentiful of the above infrastructure components, it is used as the representative metric; each square foot of sidewalk represents a certain amount of bike lane, street light, etc,

⁸¹ City of Sacramento Bicycle Master Plan (2018)

⁸² Note that, while other infrastructure categories measure infrastructure provision per 1,000 SPU, Complete Streets measures per SPU, not per 1,000 SPU.

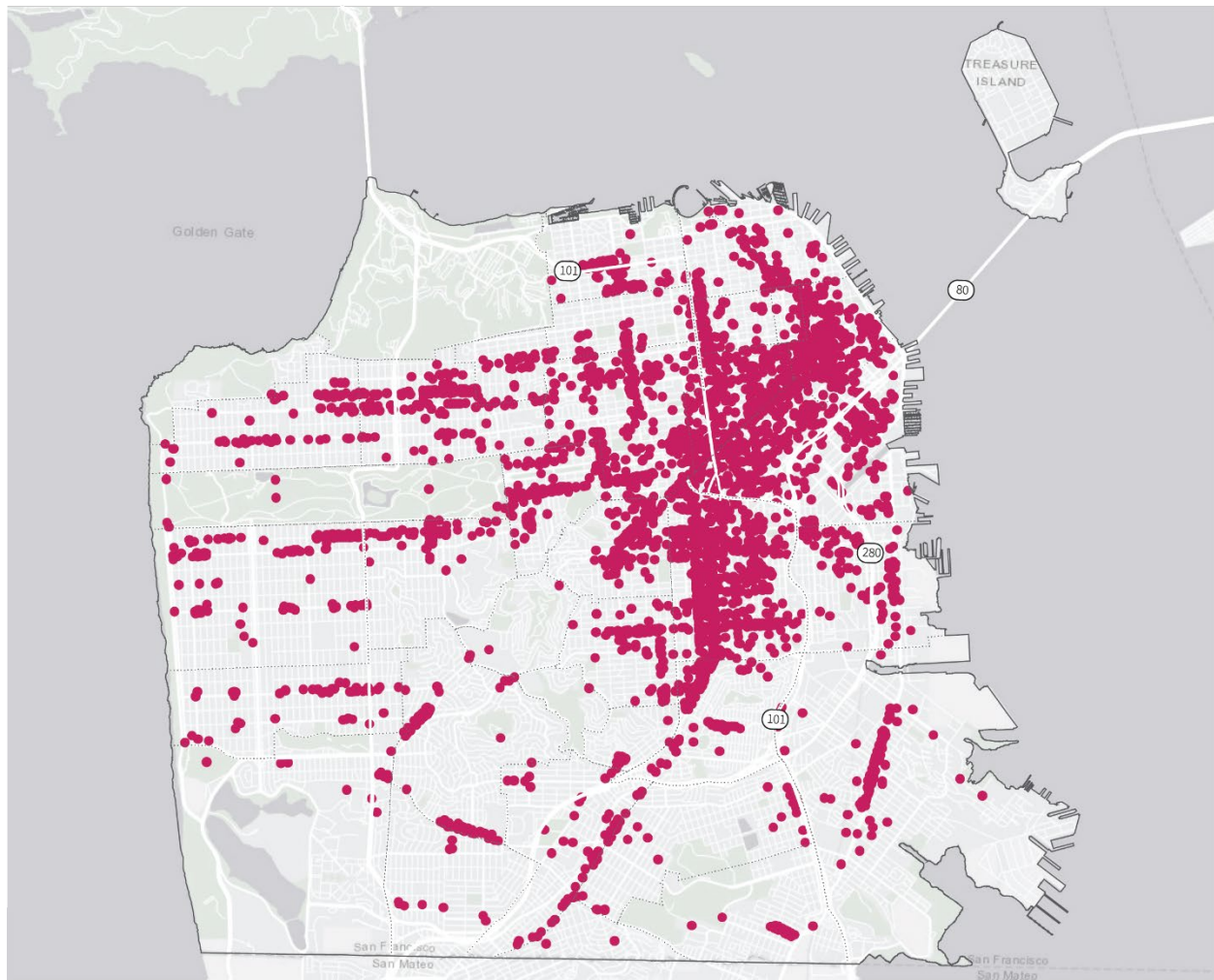
that creates a square foot of Complete Streets Sidewalk. Figure 8 through Figure 17 illustrate the distribution of the infrastructure components considered as part of this metric.

As San Francisco continues to grow, complete streets will be augmented in a variety of ways. Although some sidewalk widening may be necessary, adding other complete streets components such as bulb outs or street lights may be more important. As stated in Section 6.1.2, the SFMTA's current focus is to upgrade the existing bike paths. Although these improvements will not contribute to the number of square feet of sidewalk per SPU, they will contribute to the quality of the complete streets.

6.3.1.1 Forecasted Demand

Current population and employment projections anticipate a growth of 101,000 SPU by 2025, and a further growth of 212,000 SPU by 2040. In order to maintain the current LOS, the City will need to invest in the equivalent of 12 million new square feet of Complete Streets Sidewalk by 2025 and a further 25 million square feet of Complete Streets Sidewalk by 2040. This may include infrastructure upgrades such as expanded bicycle lanes, improved street lights, and more street trees. Most of the anticipated SPU growth is concentrated in South of Market, Bayview, and Lakeshore.

FIGURE 8: LOCATION OF BICYCLE PARKING LOCATIONS



Bicycle Parking Locations
Total Number of Parking Locations 13,104

Source: SFMTA Bike Parking



LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

Biking Facilities

- Bicycle parking locations

FIGURE 9 - BIKESHARE DOCKING STATIONS AND BIKE LANES BY CLASS



- Class I¹: 62 miles
- Class II²: 139 miles
- Class III³: 209 miles
- Class IV⁴: 20 miles

1. Bikeways, also known as bike paths or shared-use paths, are facilities with exclusive right of way for bicyclists and pedestrians, away from the roadway and with cross flows by motor traffic minimized. Some systems provide separate pedestrian facilities
2. Bikeways are bike lanes established along streets and are defined by pavement striping and signage to delineate a portion of a roadway for bicycle travel. Bike lanes are one-way facilities, typically striped adjacent to motor traffic travelling in the same direction.
3. Bikeways, or bike routes, designate a preferred route for bicyclists on streets shared with motor traffic not served by dedicated bikeways to provide continuity to the bikeway network. Bike routes are generally not appropriate for roadways with higher motor traffic speeds or volumes.
4. Separated bikeway, often referred to as a cycle track or protected bike lane, is for the exclusive use of bicycles, physically separated from motor traffic with a vertical feature.

Source: SFMTA Bikeway Network, Bike Share Stations, Bikeway Classification Brochure by Caltrans



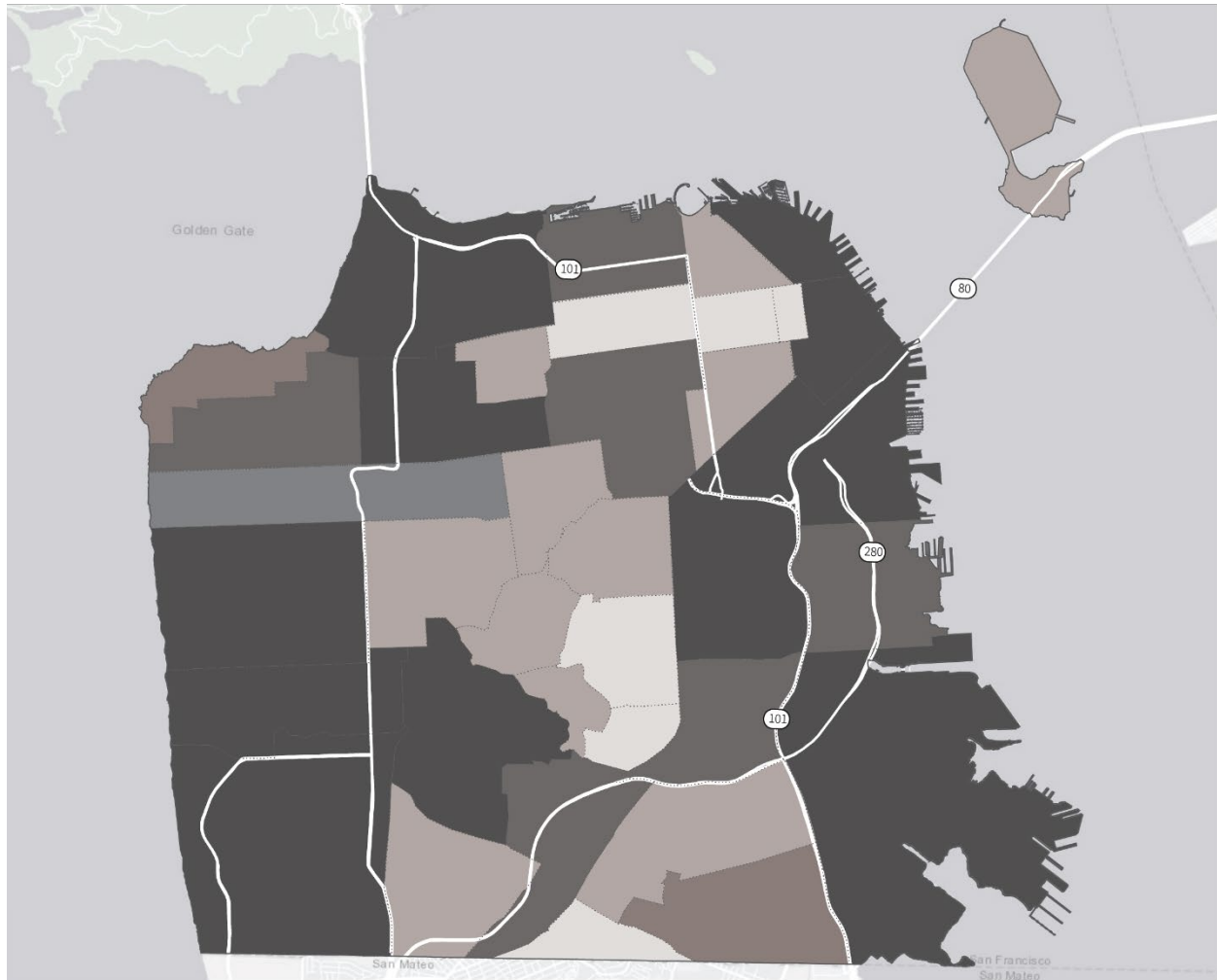
LEGEND

- County Boundary
- Highways
- Neighborhoods

Bike Share Facilities

- Bike Share Docking Stations

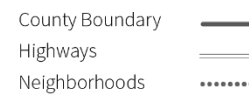
FIGURE 10 - MILES OF PREMIUM CLASS (I, II AND IV) BIKE LANES PER NEIGHBORHOOD



Miles of Premium Bike Lane (Class I¹, II² and IV³) Per Neighborhood



LEGEND

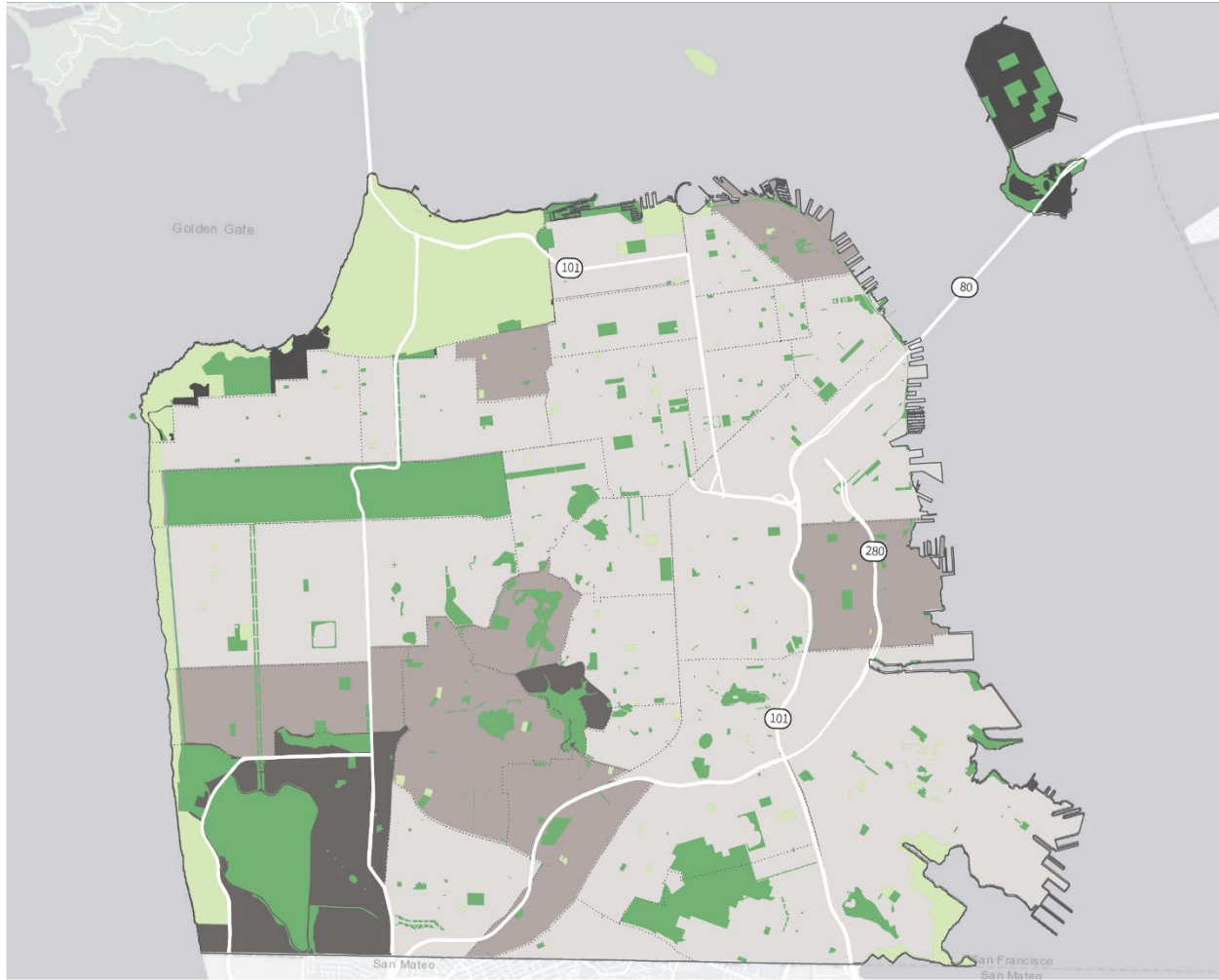


Average miles of bike lane per neighborhood: 7.0 miles

1. Bikeways, also known as bike paths or shared-use paths, are facilities with exclusive right of way for bicyclists and pedestrians, away from the roadway and with cross flows by motor traffic minimized. Some systems provide separate pedestrian facilities. 2. Bikeways are bike lanes established along streets and are defined by pavement striping and signage to delineate a portion of a roadway for bicycle travel. Bike lanes are one-way facilities, typically striped adjacent to motor traffic travelling in the same direction. 3. Bikeways, or bike routes, designate a preferred route for bicyclists on streets shared with motor traffic not served by dedicated bikeways to provide continuity to the bikeway network. Bike routes are generally not appropriate for roadways with higher motor traffic speeds or volumes.

Source: SFMTA Bikeway Network, Bikeway Classification Brochure by Caltrans

FIGURE 11 - MILES OF PREMIUM CLASS (I, II AND IV) BIKE LANES PER CAPITA



Miles of Bike Lane (Class I, II and IV) Per 1,000 Service Population Unit* (SPU)

- < 0.25 miles per 1,000 SPU
- 0.25 - 0.5 miles per 1,000 SPU
- 0.5 - 0.75 miles per 1,000 SPU
- 0.75 - 1.00 miles per 1,000 SPU
- > 1.00 miles per 1,000 SPU

Citywide average: 0.58 miles per 1,000 SPU

*In this case, the service population is defined as 100 percent of the residents and 50 percent of the employees.

Source: SFMTA Bikeway Network, SF Planning 2019 population estimates



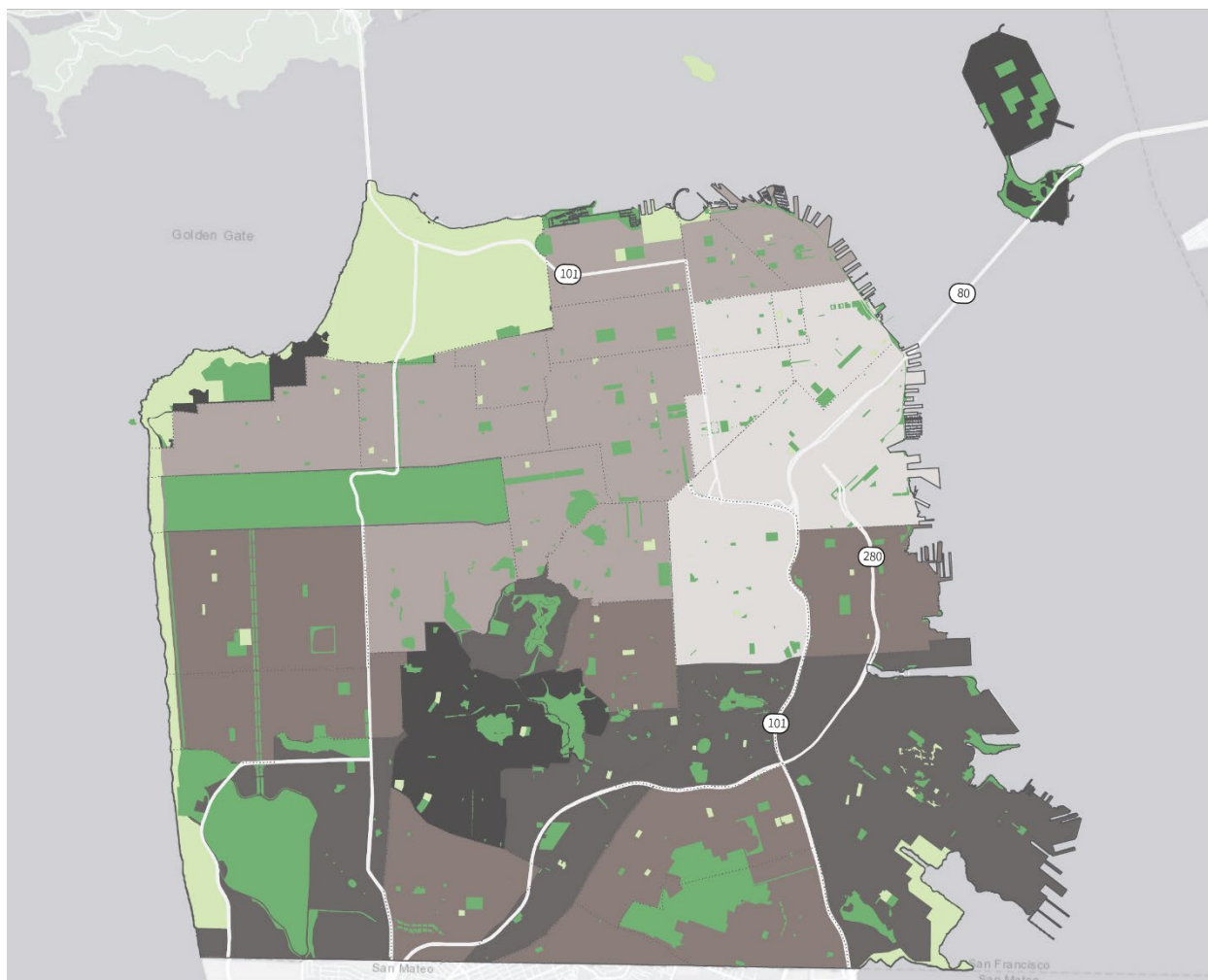
LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

FIGURE 12 - LINEAR FEET OF SIDEWALK PER CAPITA



Linear Feet of Sidewalk Per 1,000 Service Population Unit* (SPU)

- < 3,000 feet per 1,000 SPU
- 3,001 - 6,000 feet per 1,000 SPU
- 6,001 - 9,000 feet per 1,000 SPU
- 9,001 - 12,000 feet per 1,000 SPU
- > 12,000 feet per 1,000 SPU

Citywide Average: 14,192 feet per 1,000 SPU

Total Sidewalk Distance: 6,392,286 feet / 1,210 miles

*In this case, the service population is defined as 100 percent of the residents and 50 percent of the employees.

Source: SFMTA Sidewalk Widths, SF Planning 2019 population estimates, SFCTA Communities of Concern



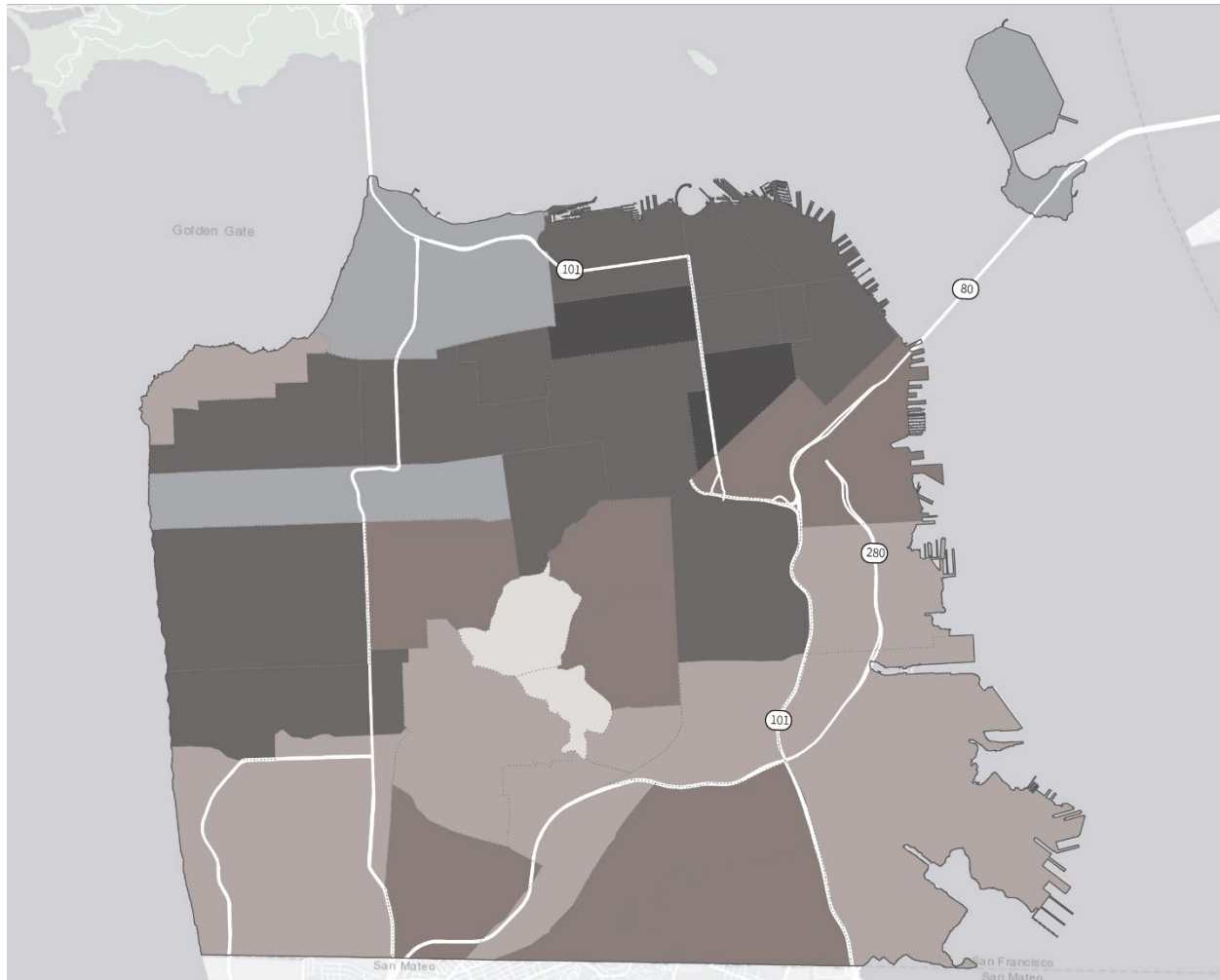
LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

FIGURE 13 - NUMBER OF RAMPS PER MILE OF ROAD



Ramps Per Mile of Road

- Less than 10 ramps per mile
- 10 - 20 ramps per mile
- 20 - 30 ramps per mile
- 30 - 40 ramps per mile
- Greater than 50 ramps per mile

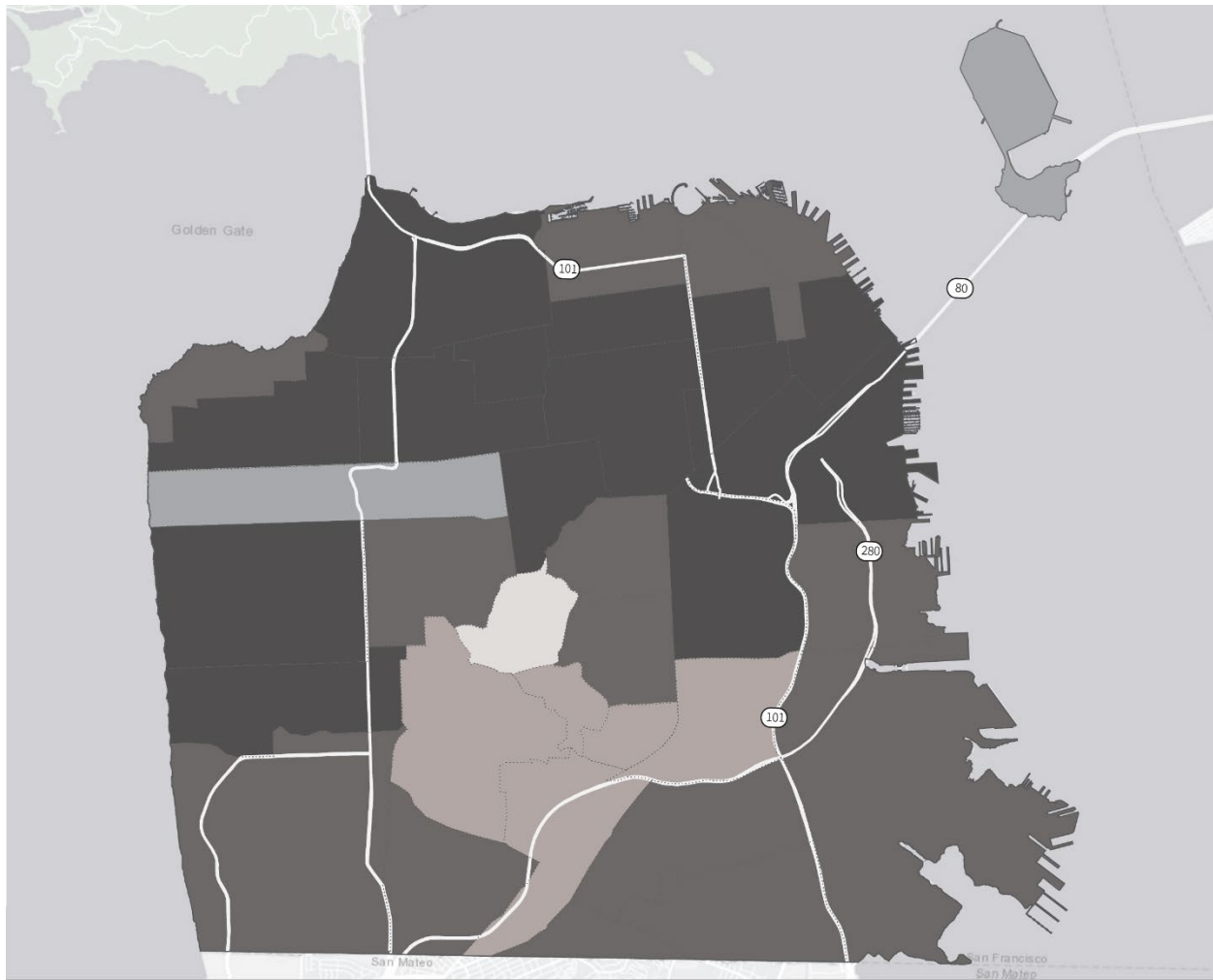


LEGEND

- County Boundary
- Highways
- Neighborhoods

Note: There was no data available on number of ramps in Treasure Island

FIGURE 14 - PERCENT OF BUILDABLE CURB RAMPS BUILT PER NEIGHBORHOOD



Percent of Buildable Curb Ramps Built

- Less than 40% of buildable curb ramps built
- 40% - 60% of buildable curb ramps built
- 60% - 80% of buildable curb ramps built
- Greater than 80% of buildable curb ramps built

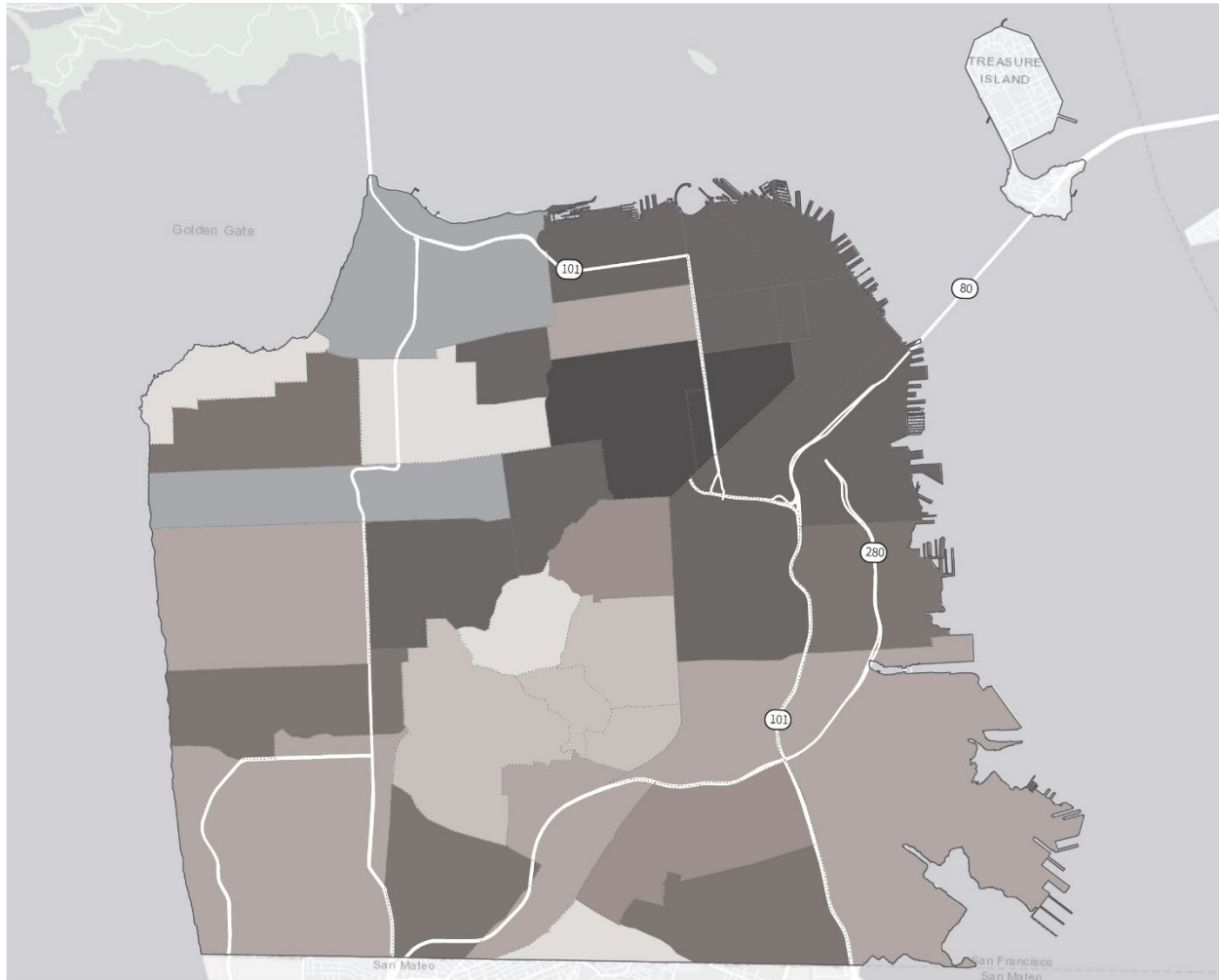


LEGEND

- County Boundary
- Highways
- Neighborhoods

Citywide Average: 75% of buildable curb ramps built

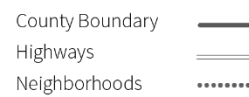
FIGURE 15 - NUMBER OF BULB-OUTS PER MILE OF ROAD



Bulb-outs Per Mile of Road



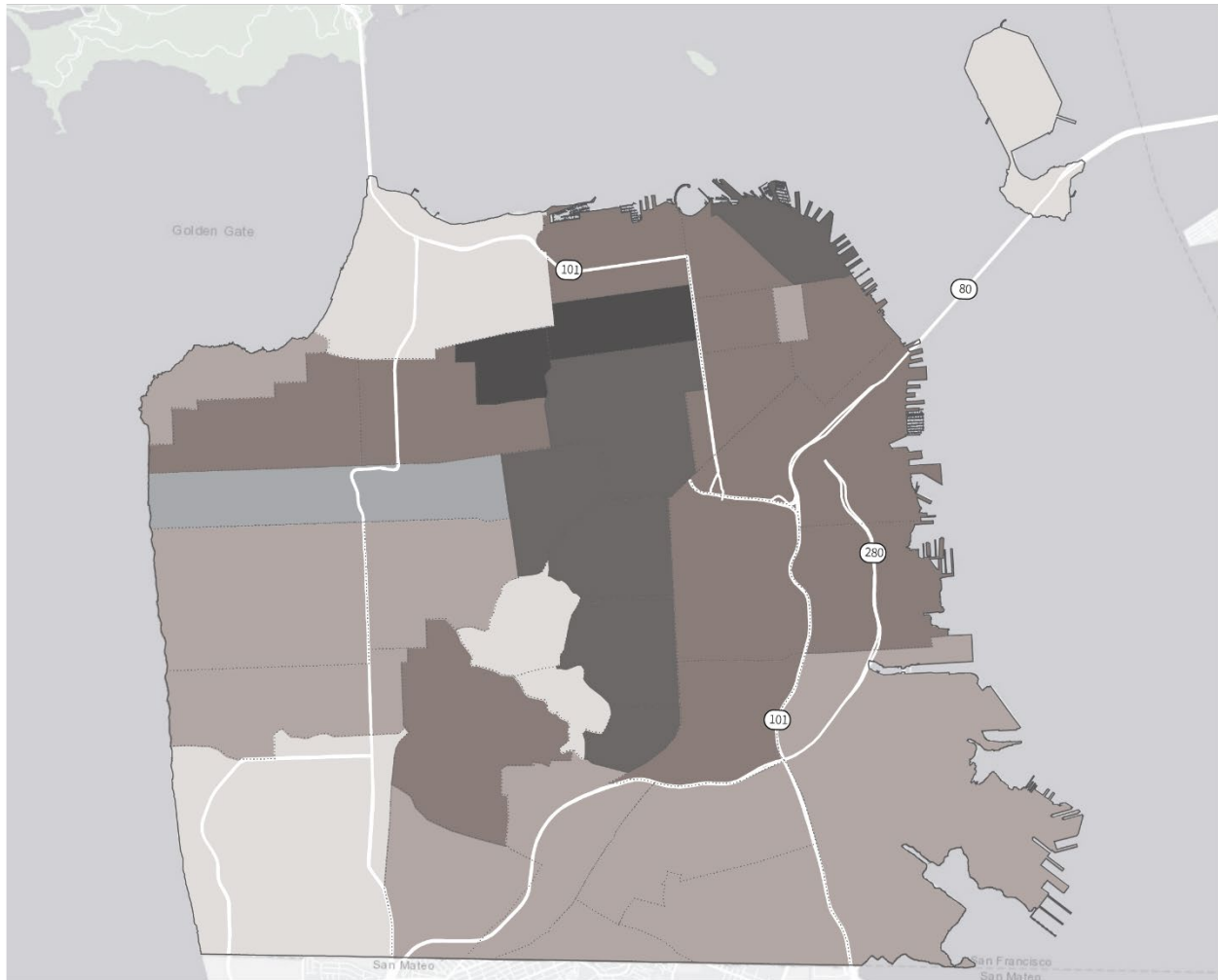
LEGEND



Citywide Average: 0.9 bulb-outs per mile

Note: There was no data available on number of ramps in Treasure Island

FIGURE 16 - STREET TREES PER LINEAR MILE OF SIDEWALK



Tress per Linear mile of Sidewalk

- Less than 50 trees per linear mile of sidewalk
- 51 - 100 trees per linear mile of sidewalk
- 101 - 150 trees per linear mile of sidewalk
- 150 - 200 trees per linear mile of sidewalk
- Greater than 200 trees per linear mile of sidewalk



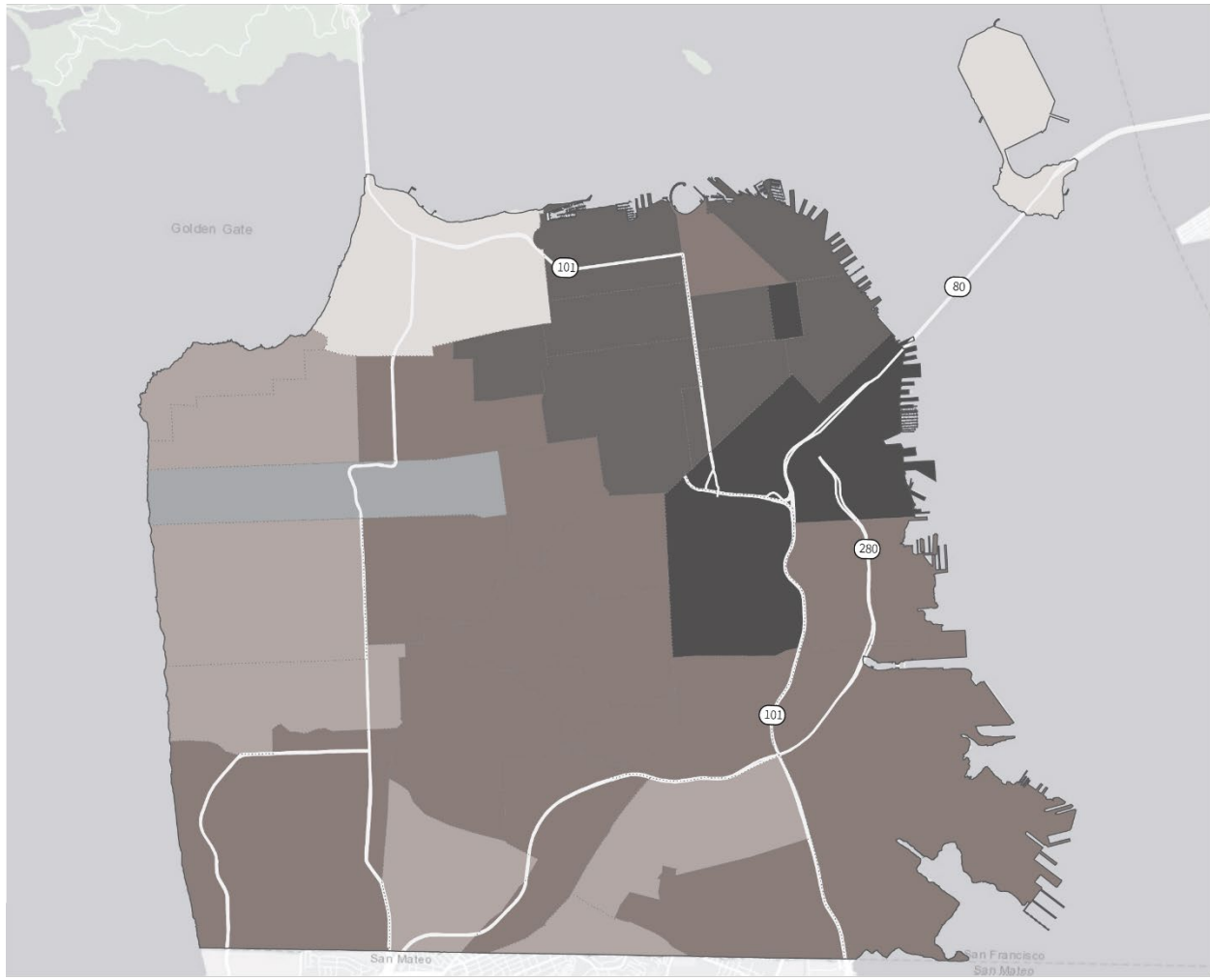
LEGEND

- County Boundary
- Highways
- Neighborhoods

Citywide Average: 102 trees per linear mile of sidewalk

Source: SFMTA Sidewalk Widths, San Francisco Tree Census 2017

FIGURE 17 - STREET LIGHT PER LINEAR MILE OF SIDEWALK



Number of Street Light per Linear Mile of Sidewalk

- Less than 5 lights per linear mile of sidewalk
- 5 - 10 lights per linear mile of sidewalk
- 10 - 25 lights per linear mile of sidewalk
- 25 - 50 lights per linear mile of sidewalk
- Greater than 50 lights per linear mile of sidewalk



LEGEND

- County Boundary
- Highways
- Neighborhoods

Citywide Average: 19.9 per linear Mile of sidewalk

Source: SFMTA Sidewalk Widths, SFPUC

7 Transit Infrastructure

Transit infrastructure, including trolleys, buses, and subways, complements the other transportation modes within the City. San Francisco aims to increase transit ridership by 2% in FY 2019 and 5% in FY 2020.⁸³ The following section provides a background on San Francisco’s transit infrastructure and service and reviews previously determined metrics and targets for transit network provision.

7.1 Background

The SFMTA’s 2012 San Francisco Transportation Sustainability Fee (TSF) Nexus Study is an important guiding document for the evaluation of San Francisco’s transit system within the context of a development impact fee nexus analysis. This evaluation of transit infrastructure defers to that report and its subsequent updates. In 2015, the City revised and adopted an updated Transportation Sustainability Fee (TSF) to achieve the following three objectives:

1. Replace the existing Transit Impact Development Fee (TIDF) with the TSF and expand the fee to include residential in addition to non-residential development citywide.
2. Incorporate a complete streets fee component into the citywide TSF for bicycle and pedestrian facilities to support those travel modes.⁸⁴
3. Establish the maximum justified transportation impact fee for all development citywide, whether subject to an area plan transportation fee or not.

This document updates the LOS metrics and analysis to support an updated 2019 Transportation Sustainability Fee to provide the maximum justifiable fee for use citywide and for justification of adopted neighborhood and specific plan transit fees.

7.2 Case Study Comparisons

Due to the variety of transit components and the numerous ways to measure them, Table 16 combines existing LOS with metrics and service goals to show how each case study city is performing according to its own metrics. The proposed transit metrics for San Francisco are designed to be consistent with prior transit studies in the City, and are detailed in Section 7.3.

TABLE 16: LOS METRICS, PROVISION, AND SERVICE GOALS – TRANSIT

City	Metric	Existing Condition	Service Goals
San Francisco, CA ⁸⁵	On-time performance	57%	85%
	Percent of Muni bus trips over capacity during AM/PM peak	AM Peak: 14.6% PM Peak: 15.8%	AM Peak: 13% PM Peak: 13%
	Bus on-time performance	86%	N/A

⁸³ SFMTA Strategic Plan 2018

⁸⁴ TSF funds may be used to cover pedestrian and bicycle improvements insofar as they reduce auto congestion and transit overcrowding, but the transit infrastructure LOS does not include complete streets infrastructure.

⁸⁵ SFMTA Strategic Plan Performance Metrics & Targets (2018)

City	Metric	Existing Condition	Service Goals
Minneapolis, MN ⁸⁶	Average vehicle miles between service calls	7,915 miles	N/A
San Jose, CA ⁸⁷	On-time Performance	Bus: 86.4% (2018)	Bus: 92.5% (Short-term)
		LRT: 84.7% (2018)	LRT: 95%(Short-term)
	Percent of Scheduled Service Operated	Bus: 99.66% (2018)	Bus: 99.50% (Short-term)
		LRT: 99.96% (2018)	LRT: 99.90% (Short-term)
San Diego, CA ⁸⁸	On-time performance (MTS bus)	82.7% (2017)	85%
	Percent of vehicle trips exceeding the maximum lag factor of 1.5	N/A	<20%
Los Angeles, CA ⁸⁹	On-time performance on Transit Enhanced Network:	N/A	95% (2035)
	Bus Frequency on Transit Enhanced Network:	N/A	Off-peak 5 minute bus frequency on 25% of the Transit Enhanced Network, off-peak 10 minute bus frequency on 50% of the Transit Enhanced Network, and off-peak 15 minute bus frequency on 100% of the Transit Enhanced Network by 2035
Vancouver, BC ⁹⁰	Service hours	5,125,269	8,125,000 by 2027
	On-time performance for frequent bus	76%	N/A
	On-time performance for non-frequent bus	79%	N/A
Portland, OR ⁹¹		N/A	<15 min (short-term)

⁸⁶ Twin Cities Transit System Performance Evaluation (2009); Metro Transit Arterial Transit way Corridor Study (2012)

⁸⁷ VTA Performance Report (2018); San José Access & Mobility Plan: Transportation Directives (2019)

⁸⁸ SANDAG The Coordinated Plan (2018)

⁸⁹ Los Angeles Mobility Plan 2035 (2016); LA Metro Vision 2028 Strategic Plan (2018)

⁹⁰ TransLink Financial and Performance Report (2018); TransLink 10-Year Vision 2018 - 2027 INVESTMENT PLAN (2018); TransLink Statutory Annual Report (2017)

⁹¹ Portland Enhanced Transit Corridors Plan (2018); Portland Regional Transportation Plan (2014); TriMet Business Plan for Fiscal Years 2019-2023 (2018); Portland Transportation System Plan (2018)

City	Metric		Existing Condition	Service Goals
	Transit frequency for a majority of the day			<12 min (within 10 years)
				<10 min (within 20 years)
	On-time performance		Bus: 85.6%	Bus: 85% by 2022
			Light rail: 88.4%	Light rail: 90% by 2022
Overloaded weekday peak trips		2%	2% or fewer	
Seattle, WA ⁹²	Percent of Frequent Transit Network that is maintained and modernized by rehabilitating the pavement		22% (2014)	35%(2025)
	Percent of "Seattle" bus route trips that are on-time in the afternoon peak period		68%	80%
New York, NY ⁹³	Overall transit capacity (number of passengers) into the Manhattan Central Business District during the AM peak hour		642,290 passengers (2017)	Increase 20% by 2040
	PM peak median citywide bus speed		10.7 mph	Increase bus travel speeds by the year 2020, especially on bus corridors with high ridership and on streets where bus speeds fall below 5 miles per hour.
Davis, CA ⁹⁴	Convenience	Peak-hour service frequency for routes with 60+ passengers/hour	15 to 60-minute	15-minute
	Reliability	% within 5 min of scheduled time	94%	90%
		Vehicle miles between road calls	11955	20000
Capacity	Peak loading conditions not to exceed 150% of seats	94% of bus trips; 88% of bus riders	95 % of bus trips; 90% of bus riders	
Boston, MA ⁹⁵			93% for bus	95% for bus

⁹² Seattle TRANSIT MASTER PLAN (2016); King County Metro Transit 2017; Strategic Plan Progress Report (2018)

⁹³ MTA Mission Statement, Measurements and Performance Indicator Report (2017)

⁹⁴ City of Davis Short-Range Transit Plan Fiscal Years 2015-2021

⁹⁵ Massachusetts Bay Transportation Authority (MBTA) Service Delivery Policy (2017)

City	Metric		Existing Condition	Service Goals
	Service Availability Standards	Span of Service - hours meeting the expected span of service	100% for rail	100% for rail
		Frequency of Service - hours meeting the expected frequency of service	93% for bus	95% for bus
			100% for rail	100% for rail
	Reliability Service Standards	Bus - percent of time points meeting scheduled time points	65%	75-80%
		Light Rail - percent of all station departures over the entire service day that pass their on-time tests	89%	90%
Santa Monica, CA ⁹⁶	On-time performance		Varies by route	Routes that fall below 50% of system wide average, or 150% of average are examined for possible service improvements or corrections
	Total ridership by route			
	Passenger load factor			
Sacramento, CA ⁹⁷	Service Frequency		5-15 min depending on the mode	10 minutes or better

7.3 Level of Service Metrics

In 2012, the SFMTA’s San Francisco Transportation Sustainability Fee Nexus Study established guidelines for the evaluation of San Francisco’s transit system using citywide metrics. The Hatch team used a citywide geographic analysis because of the dispersion of trip origins and destinations citywide and regionally, and the interdependence of transit system components. The 2012 study used two LOS performance metrics that were also reported in the 2014 LOS Analysis: transit travel time and transit crowding. The 2015 TSF update modified these two metrics by keeping the transit crowding metric and substituting a transit maintenance demand metric for the transit travel time metric. The transit travel time metric proved too complex to maintain because of the extensive travel modeling required, and the transit maintenance demand metric supported the use of TSF funds for transit maintenance that increases available transit capacity to serve new development. These two updated metrics were developed to directly support the 2015 TSF nexus analysis. This 2019 update to the

⁹⁶ Fiscal Year 2015-16 Big Clue Bus Year End Performance Report (2016)

⁹⁷ Sacramento Transit Action Plan Regional Transit Master Plan

Level of Service Analysis uses the same two metrics used in the 2015 TSF update. Both of these metrics are calculated at the citywide level. The two metrics are:

- Transit crowding: Level of service is measured in terms of passenger miles traveled in crowded versus uncrowded conditions systemwide on an average daily basis. Crowded conditions occur when there is less than three square feet per standing passenger.⁹⁸
- Transit maintenance level of service: The existing transit maintenance LOS is the current ratio of the supply of transit services (measured by transit revenue service hours) to the level of transportation demand (measured by number of auto plus transit trips).

Table 17 calculates the transit crowding level of service both for the 2015 base year and for a 2040 projection. The calculation of passenger miles comes from the ConnectSF Needs Assessment, which completed 2015 and 2040 SF-CHAMP travel demand model runs on the current and future transit system links. The Hatch team adjusted the calculation of crowded passenger miles to consider the latest transit vehicle crowding capacities specified by SFMTA. The analysis indicates that in 2040, despite a projected increase in transit infrastructure, crowding will increase relative to the existing LOS standard.

TABLE 17: TRANSIT CROWDING LOS STANDARD⁹⁹

	2015	2040
Uncrowded Passenger Miles	1,375,899	1,926,271
Crowded Passenger Miles	233,455	485,189
Total Passenger Miles	1,609,354	2,411,460
Percent Crowded Passenger Miles	15%	20%

Figure 18 compares the crowded to uncrowded passenger miles in 2015 to 2040. As shown, crowding will increase compared to the existing LOS standard.

⁹⁸ Exhibit 5-17, TCRP 165 – Transit Capacity and Quality of Service Manual, 2013, 3rd Ed.

⁹⁹ ConnectSF Needs Assessment; SF-CHAMP travel demand model, 2019; Urban Economics

FIGURE 18: TRANSIT CROWDING LOS STANDARD IN 2015 AND 2040

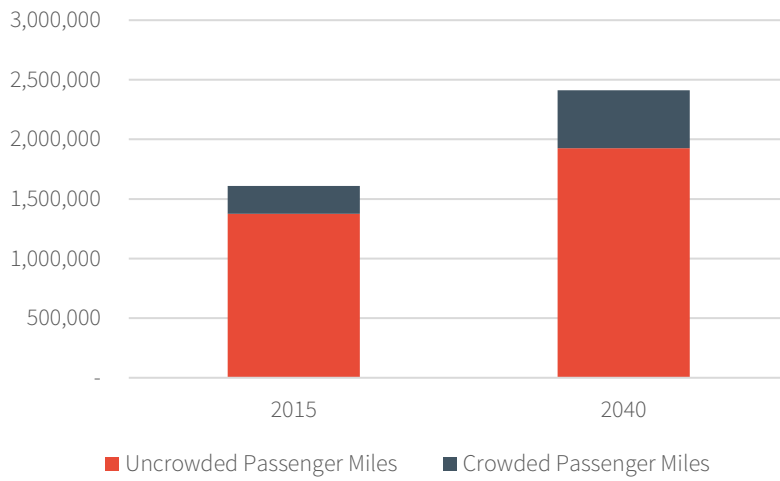


Table 18 calculates the transit maintenance level of service standard in terms of revenue service hours per 1,000 vehicle trips. The analysis utilizes data from the U.S. Department of Transportation and the San Francisco Planning Department calculate revenue service hours per 1,000 vehicle trips. The current LOS standard is 1.45 revenue service hours per 1,000 daily trips.

TABLE 18: TRANSIT MAINTENANCE LOS STANDARD¹⁰⁰

	Amount	Calculation
Annual Revenue Service Hours	3,885,640	A
Days per Year	365	B
Average Daily Revenue Service Hours	10,646	C = A / B
2019 Average Daily Trips (ADT) ¹	7,335,000	D
Revenue Service Hours per 1,000 ADT	1.45	C / D * 1,000

¹⁰⁰ Auto and transit trip ends only within San Francisco. Excludes bicycle and pedestrian trip ends.

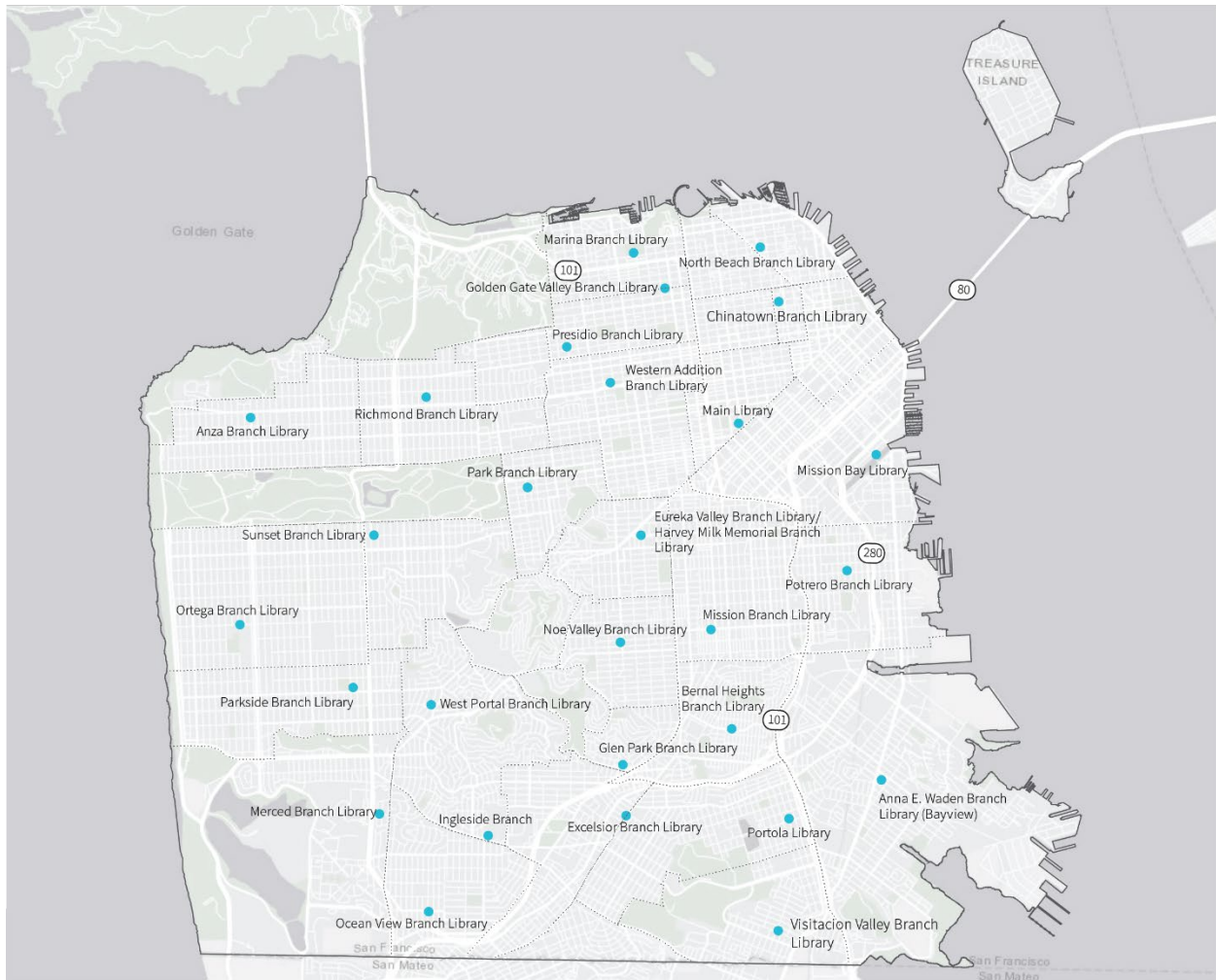
Sources: U.S. Department of Transportation, Federal Transit Administration, National Transit Database, 2017 Data Reports (<https://www.transit.dot.gov/ntd/ntd-data>); San Francisco Planning Department; Urban Economics.

8 Library Facilities

Libraries provide many City services, as well as an important space for community gathering. This section outlines the library facilities operated by the City and County of San Francisco, compares the provision of library facilities among case study cities, and proposes a metric for measuring San Francisco’s provision of library facilities. Maps illustrate San Francisco’s current library Level of Service. Figure 19 shows the distribution of library branches, including the main branch, around San Francisco. Table 19 lists the City’s guiding policy document consulted in the formulation of this section.

TABLE 19: LIBRARY PROVISION GUIDING POLICY DOCUMENT

Policy Document	Year	Key Contributions
Emerging Southeast Initiative: Southeast Framework: Community Facilities	2018	<ul style="list-style-type: none"> • Information on current library facilities in San Francisco, and San Francisco Public Library’s internal standards for Level of Service • Plans for library expansion in the City’s southeast neighborhoods



Total Number of Libraries 28

Source: San Francisco Public Library



LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

Community Facilities

- Library

8.1 Background

Library facilities provide a wide array of services to San Francisco residents. Traditionally, libraries supply the public with books and other materials that they can borrow for free, reference librarians to help with research and material recommendations, a quiet location for studying, and community meeting space. As libraries expand to meet 21st century needs, they have also become a place where people can access other government services such as registering to vote and filing their taxes, as well as accessing computers with wi-fi access. In addition, San Francisco libraries offer information on immigration, citizenship, and adjusting to American culture, after school programs for children and teenagers including help with homework, job-searching and

career resources, programming for older adults, and art exhibitions, among other services.¹⁰¹ 80% of Americans still consider borrowing books to be a “very important” library service, and 77% feel the same about free access to computers and the internet.¹⁰²

Most of the programs listed above rely heavily on staffing, and therefore operations funding, to take place. However, the public facilities that libraries provide are essential for locating these programs. Furthermore, computers qualify as a capital investment along with buildings, and are necessary tools to apply for many jobs and government programs, both of which are heavily utilized library services.¹⁰³ This section will primarily focus on the physical building space associated with libraries to establish the capital facilities level of service, but capital funds may also be used to increase capital capacity at existing libraries by increasing the stock of capital infrastructure such as computers and books.

Unlike other infrastructure categories examined in this report, library facilities are measured per resident, rather than per service population unit. Although any resident of California can obtain a San Francisco Public Library (SFPL) card, non-resident employees in San Francisco are not more likely to use the City’s public libraries than other Bay Area residents living outside of San Francisco.¹⁰⁴ 89% of Americans say closing their local public library would have a negative impact on their community,¹⁰⁵ which suggests that most Americans primarily rely on their local library for library services.

To geospatially measure library facility LOS within San Francisco, this section analyses the LOS within 27 library service areas, one for each branch library in the City. Library service areas are defined as the collection of Traffic Analysis Zones (TAZs)¹⁰⁶ that are closest to each library. The main library service area has been excluded from the neighborhood-level analysis because the main library is considered a citywide resource. It is only counted toward the citywide LOS.

Internally, the San Francisco Public Library (SFPL) uses different service areas to evaluate its library branch needs and levels of service. Physical barriers like freeway overpasses may make certain walks unpleasant and prompt library users to go to a different library, and certain libraries have culturally-specific collections that draw patrons to that library from across the City.¹⁰⁷ This does not affect the citywide LOS but may affect branch-level considerations. From an infrastructure provision perspective, making sure residents have sufficient access to a local library suffices, regardless of which library they choose to go to.

8.2 Case Study Comparisons

Traditionally, the recommended amount of library space for a city of San Francisco’s size is 0.3 square feet per capita.¹⁰⁸ San Francisco’s Level of Service exceeds this standard, at 0.67 square feet of library space per

¹⁰¹ San Francisco Public Library website, <https://sfpl.org/index.php?pg=0000000401>. Accessed August 8, 2019.

¹⁰² Pew Research Center, Library Services in the Digital Age (2013)

¹⁰³ American Library Association, State of America’s Libraries Report 2019

¹⁰⁴ Confirmed in a meeting with SFPL staff on June 26, 2019.

¹⁰⁵ Pew Research Center, Libraries at the Crossroads (2015)

¹⁰⁶ Traffic Analysis Zones (TAZs) are a way of dividing land area into discrete measurable units for planning purposes. The US Census Bureau designates these zones based on physical land constraints, population and employment density, and certain municipal boundaries.

¹⁰⁷ Meeting with SFPL, June 18, 2019.

¹⁰⁸ American Planning Association, Piero Faraci, Information Report No. 241, Planning the Public Library.

resident. As square footage is not a readily available figure for many library systems among the case study cities, Table 20 compares the number of library branches per resident and square mile of city among the case study cities. As seen in Table 21, most case study cities do not have a standard for determining library facility LOS.

TABLE 20: LOS PROVISION COMPARISON – LIBRARIES

City	Libraries (Total)	Libraries per 100,000 Residents ¹⁰⁹	Libraries per Square Mile
San Francisco, CA ¹¹⁰	28	3.24	0.60
Minneapolis, MN ¹¹¹	15	3.65	0.28
San Jose, CA ¹¹²	24	2.35	0.07
San Diego, CA ¹¹³	35	2.52	0.11
Los Angeles, CA ¹¹⁴	75	1.90	0.16
Vancouver, BC ¹¹⁵	21	3.33	0.48
Portland, OR ¹¹⁶	19	3.01	0.14
Seattle, WA ¹¹⁷	27	3.92	0.32
New York, NY ¹¹⁸	210	2.45	0.69
Davis, CA ¹¹⁹	2	2.96	0.20
Boston, MA ¹²⁰	26	3.89	0.54
Santa Monica, CA ¹²¹	6	6.49	0.71
Sacramento, CA ¹²²	30	6.13	0.31

¹⁰⁹ Population and city area data come from the US Census Bureau

¹¹⁰ San Francisco Public Library: Libraries (2019)

¹¹¹ Hennepin County Library: Library Locations (2019)

¹¹² San Jose Public Library: Locations & Hours (2019)

¹¹³ The City of San Diego: Library Locations (2019)

¹¹⁴ Los Angeles Public Library: Locations & Hours (2019)

¹¹⁵ Vancouver Public Library: Hours & Locations (2019)

¹¹⁶ Multnomah County Library: Locations (2019)

¹¹⁷ The Seattle Public Library: Hours & Locations (2019)

¹¹⁸ New York Public Library: Locations (2019); Brooklyn Public Library: Hours & Locations (2019); Queens Public Library: Hours & Locations (2019)

¹¹⁹ Yolo County Library: Locations (2019)

¹²⁰ Boston Public Library: Branches (2019)

¹²¹ Santa Monica Public Library: Locations & Hours (2019)

¹²² Sacramento Public Library: Locations (2019)

TABLE 21: LOS METRICS AND SERVICE GOALS – LIBRARIES

City	Metric	Service Goal	Level of Service
San Francisco, CA	Proposed: <ul style="list-style-type: none"> Square feet of library per resident 	Proposed: <ul style="list-style-type: none"> Near term: Maintain 0.6 square feet of library per new resident (0.66 square feet per resident for the total population) 	0.67 square feet per resident ¹²³
Portland, OR ¹²⁴	Square feet per resident	0.6 – 0.8 square feet per resident	0.3 square feet per resident
Davis, CA ¹²⁵	Square feet per resident	0.75 – 1.0 square feet per resident	0.47 square feet per resident
Sacramento, CA ¹²⁶	n/a	n/a	0.2 square feet per resident

8.3 Level of Service Metrics

As shown in Table 21, both of the case study cities that have internal metrics to track the provision of library facilities relative to population do so via square feet per resident. Thus, the library metric is:

- Square feet of library per resident

¹²³ Although San Francisco's level of service is higher than peer cities, this is driven by its high density of population.

¹²⁴ Multnomah County Library Framework for Future Library Spaces (2017)

¹²⁵ City of Davis State of the City Report (2017)

¹²⁶ Sacramento Public Library Strategic Plan Appendix: Facilities Study (2011)

8.3.1 Square Feet of Library per Resident

TABLE 22: SQUARE FEET OF LIBRARY PER CAPITA – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	0.67 square feet of library per resident ¹²⁷	Library data provided by SFPL. Population data from SF Planning.
Short-Term Target	Maintain 0.6 square feet of library per new resident (0.66 square feet per resident for the total population)	Meeting with SF Planning and SFPL staff on April 16, 2020.
Long-Term Aspirational Goal	Provide San Francisco residents with improved community space and amenities, meeting changing library needs.	Meeting with SF Planning staff on October 23, 2019.

As discussed above, San Francisco’s current library LOS is above the case study cities which measure their library provision in comparable terms, as well as above the standard recommended level of service. For this reason, the short-term goal is to reach a 10% reduction of the current LOS for new residents. This does not mean new residents will have a lower LOS than current residents (all facilities are open to any resident), but rather that expansion will not fully keep pace with the City’s rate of growth, relative to the current level of service.

In the long term, San Francisco Public Libraries will adapt to meet the changing needs of San Francisco communities. Public libraries are becoming an important community gathering site, providing free meeting space for community gatherings and access to digital resources for people who need it. Due to San Francisco’s high density of existing library branches, SFPL has begun discussing building a new regional library facility (larger than any existing branch library) rather than building more small branch libraries. The most important long-term goal is meeting City residents’ changing library needs.

The geospatial analysis of library facility provision shows lower Levels of Service than the citywide average, on account of the main library’s exclusion.¹²⁸ The median local branch has an LOS of 0.26 square feet of library per resident. As shown in Figure 20, most libraries in the City have a local LOS close to this figure. Castro/Upper Market has the lowest Level of Service, at 0.13 square feet per resident.

8.3.1.1 Forecasted Demand

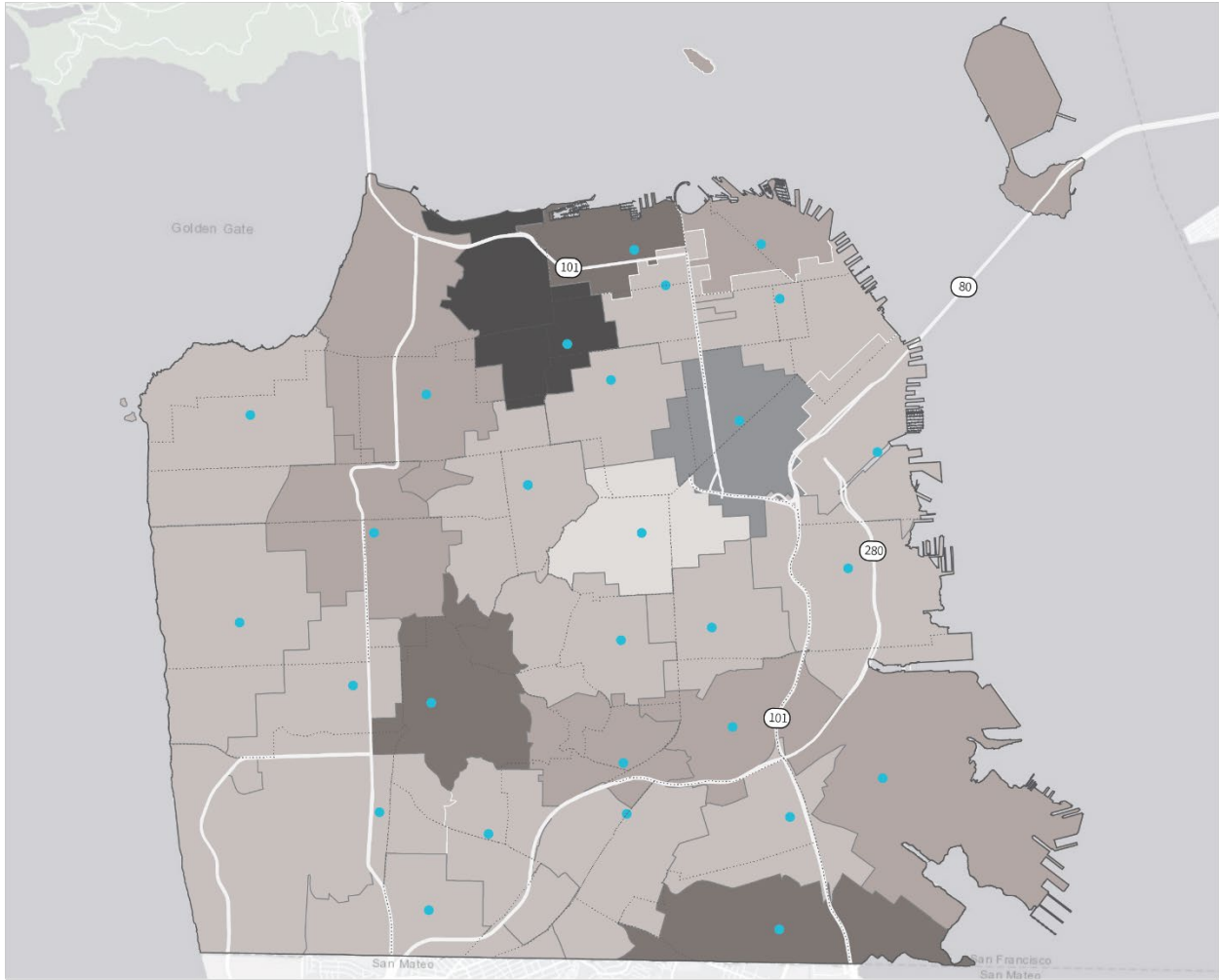
By 2025, San Francisco’s residential population is expected to grow to 982,000, an increase of 74,000 from the current population. In order to maintain the current LOS, the City will need to add 44,000 square feet of library space by 2025, bringing the total library square feet to 650,000 by 2025. This expansion will not necessarily be built as new branch library square feet, but may take the form of a new regional library facility or further investment in existing library space.

¹²⁷ Note that this includes the main library branch, which is excluded from the neighborhood-level analysis shown in Figure 21.

¹²⁸ The main library accounts for 62% of citywide library square feet, according to data from SFPL.

Geospatially, projected growth is concentrated in the South of Market, Bayview, and Lakeshore neighborhoods. The closest branch library to South of Market is the Mission Bay Library, with a below-median LOS of 0.22 square feet per resident. However, the South of Market neighborhood is also adjacent to the Main Library service area. The Anna E. Waden Branch Library, which serves most of the Bayview, has a relatively high LOS currently, at 0.36 square feet per resident. The Merced Branch Library, which serves most of Lakeshore, currently has an LOS of 0.29 square feet per resident, slightly above the median.

FIGURE 20: SQUARE FEET OF LIBRARY PER RESIDENT



Square Feet of Library Space per Resident

- < 0.2 sqft
- 0.21- 0.30 sqft
- 0.31 - 0.40 sqft
- 0.41 - 0.5 sqft
- 0.51 - 0.6 sqft
- Excluded from the analysis

By Closest Library Citywide Average: 0.67 sqft per resident

The San Francisco Planning Department estimates the total residents per Traffic Analysis Zones (TAZ) for 2019. Resident population is assigned to their closest library and divided by the total square footage of that library to arrive at a square feet per resident ratio.

Note: San Francisco Main Public Library was excluded from this analysis as an outlier.

Source: San Francisco Public Library, San Francisco population estimates 2019



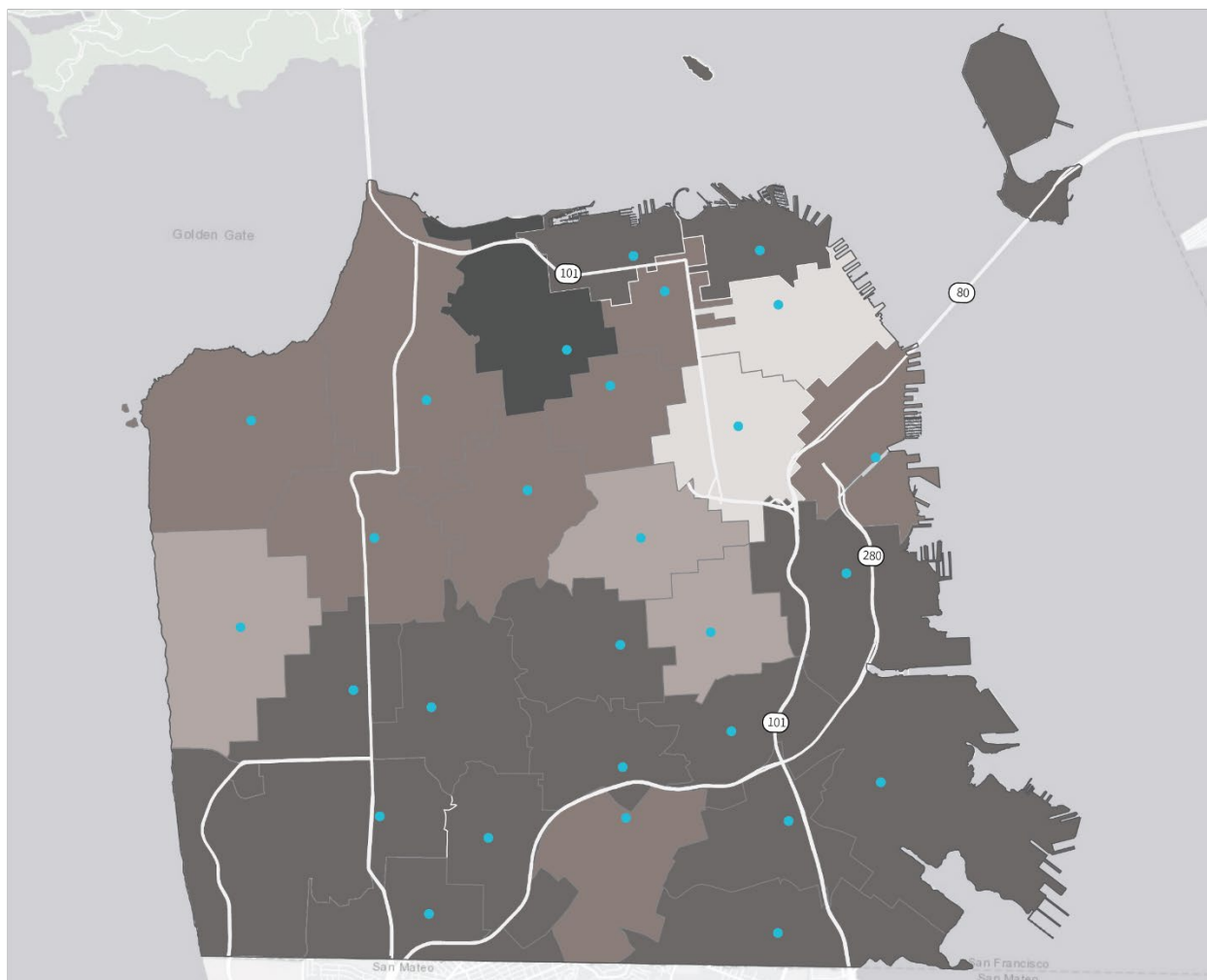
LEGEND

- County Boundary
- Highways
- Neighborhoods

Community Facilities

- Library
- Closest library area

FIGURE 21: RESIDENT POPULATION TO THE CLOSEST LIBRARY



Residents per closest San Francisco Public Library

- < 20,000 residents
- 20,000 - 30,000 residents
- 30,001 - 40,000 residents
- 40,001 - 50,000 residents
- > 50,000 residents

Citywide Average: 32,188 residents overall per library
 The San Francisco Planning Department estimates the total residents per Traffic Analysis Zones (TAZ) for 2019. Resident population is assigned to their closest library to estimate the average number of residents per closest library.

San Francisco Public Library, San Francisco population estimates 2019



LEGEND

- County Boundary
- Highways
- Neighborhoods

Community Facilities

- Library
- Closest library area

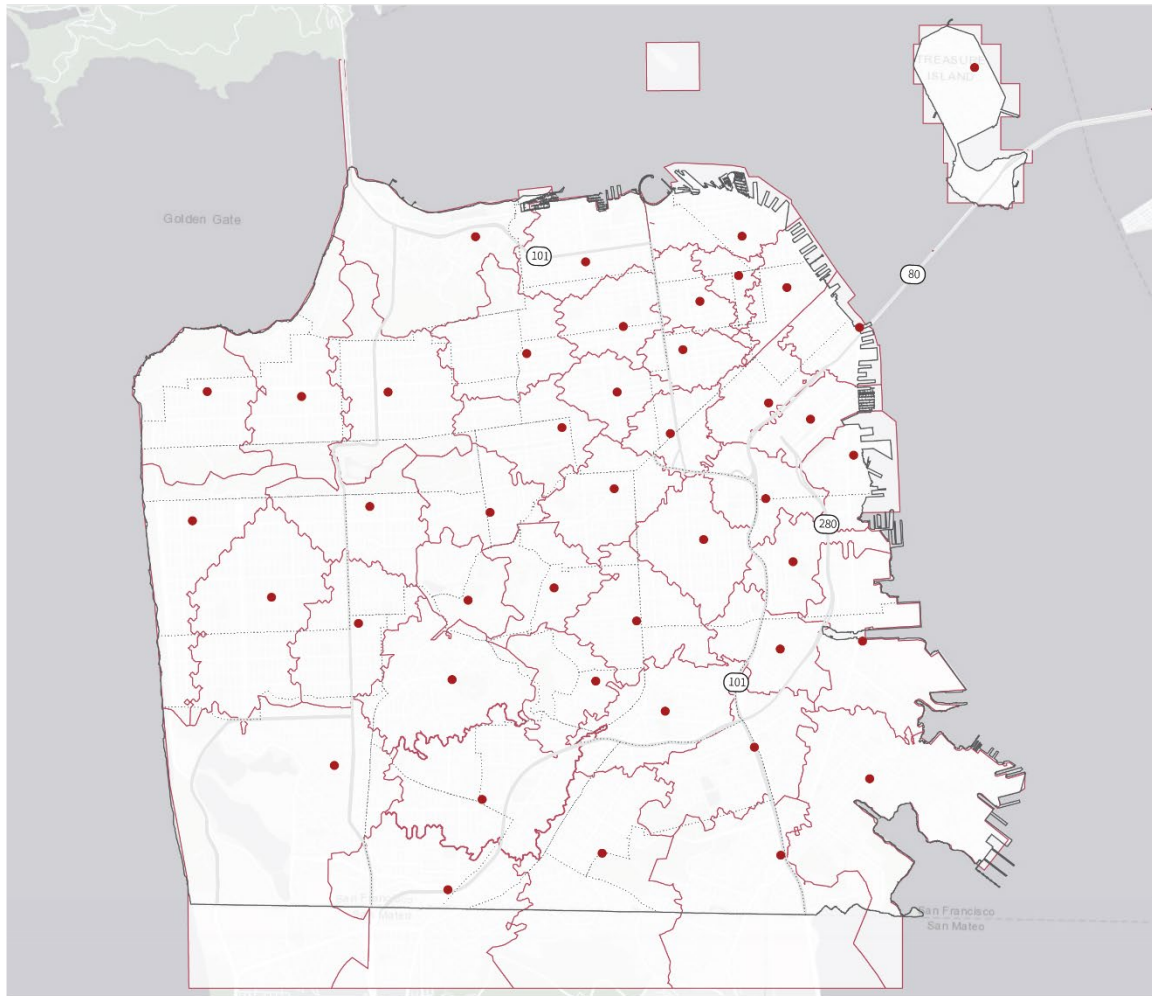
9 Fire Department Facilities

Fire department facilities provide the backbone of two critical emergency services provided by the City of San Francisco: fire suppression and emergency medical services (EMS). This section outlines the metrics used by case study cities to measure their fire suppression and EMS Level of Service (LOS), compares the LOS provided among case study cities, and evaluates San Francisco’s provision of fire department services along recommended metrics, projecting the need for additional facilities into the near and long-term future. Table 23 outlines the City documents consulted in the production of this section. Figure 22 shows the locations of fire department facilities in San Francisco.

TABLE 23: FIREFIGHTING PROVISION GUIDING POLICY DOCUMENTS

Policy Document	Year	Key Contributions
Emerging Southeast Initiative: Southeast Framework: Community Facilities	2018	<ul style="list-style-type: none">• Information on current firefighting facilities in San Francisco, and San Francisco Fire Department’s internal standards for Level of Service• Plans for SFFD expansion in the City’s southeast neighborhoods
San Francisco Infrastructure Level of Service Analysis Draft	2014	<ul style="list-style-type: none">• Background information on firefighting standards• Previous proposed LOS metrics

FIGURE 22: LOCATION OF FIRE DEPARTMENT FACILITIES



Source: San Francisco Fire Department



LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

Fire Department Facilities Service Area

- Fire Department Facilities
- Area Served by 5-Minute Response

9.1 Background

The San Francisco Fire Department (SFFD) oversees both fire suppression and emergency medical services (EMS). City residents and employees access these services by dialing 911, where the operator categorizes each call under a response code class, which defines the nature of the emergency and the response mode. Code 1 calls are non-emergency calls, and emergency vehicles proceed with the normal flow of traffic, without lights or sirens. A Code 2 call is a non-emergency, but important, call; emergency vehicles generally proceed according to traffic laws but may use lights or sirens to circumvent slow or stopped traffic. A Code 3 call is a life-threatening emergency; emergency vehicles proceed with lights and sirens and may disregard traffic laws if safe to do so. As they are the most critical calls, this analysis focuses on Code 3 calls.

For Code 3 calls, the SFFD is governed by strict national and local service standards. At the national level, the National Fire Protection Agency (NFPA) issues guidelines on response times, fire and emergency services staffing, and deployment recommendations. At the local level, the San Francisco Emergency Medical Services Agency (SFEMSA), under the Department of Public Health (DPH), issues LOS requirements regarding EMS provision. Both the NFPA and the SFEMSA provide standards for response time and staffing for emergency medical events; however, because staffing is not a capital provision, the staffing standards and metrics are not included in this analysis. The analysis will focus specifically on response time.

SFFD's response time to a Code 3 call is subdivided into several steps, including:

- Time from 911 call to time of dispatch
- Time from dispatch to time of arrival of the first unit on scene
- Time from dispatch to time of arrival of the advanced life support (ALS) unit
- Time from dispatch to time of arrival of the transportation unit

Each of these time intervals has an associated response time standard set either by NFPA, or by the SFEMSA based on NFPA standards. Of the cities surveyed, the NFPA standards were consistently mentioned as the adopted city targets. Every case study city that has adopted response time goals has crafted those firefighting service targets around the NFPA response time standards (see Table 25), adjusting them as necessary to account for city-specific geographical or planning constraints. For example, San Diego's fire department aims to respond to 90% of emergency calls in less than 5 minutes. San Jose, by contrast, aims for less than 8 minutes 80% of its incidents.¹²⁹ The proposed metric for San Francisco's fire department services is based on these well-established response time standards.

In recent years, the fastest growing demand within SFFD has been for EMS services. From 2007 to 2018, the number of EMS calls grew 56%, from 76,673 in 2007 to 119,732 in 2018. 2019 is on track to exceed 2018, with 83,756 EMS calls logged as of September 9, 2019.¹³⁰ EMS services are distributed throughout San Francisco by having ambulances staffed with paramedics parked at "posting locations", with ambulances distributed more heavily in certain areas based on anticipated need (for example, large events such as major concerts typically result in more EMS calls in the event's vicinity, and would require heavier staffing at nearby posting locations).

¹²⁹ See Table 25

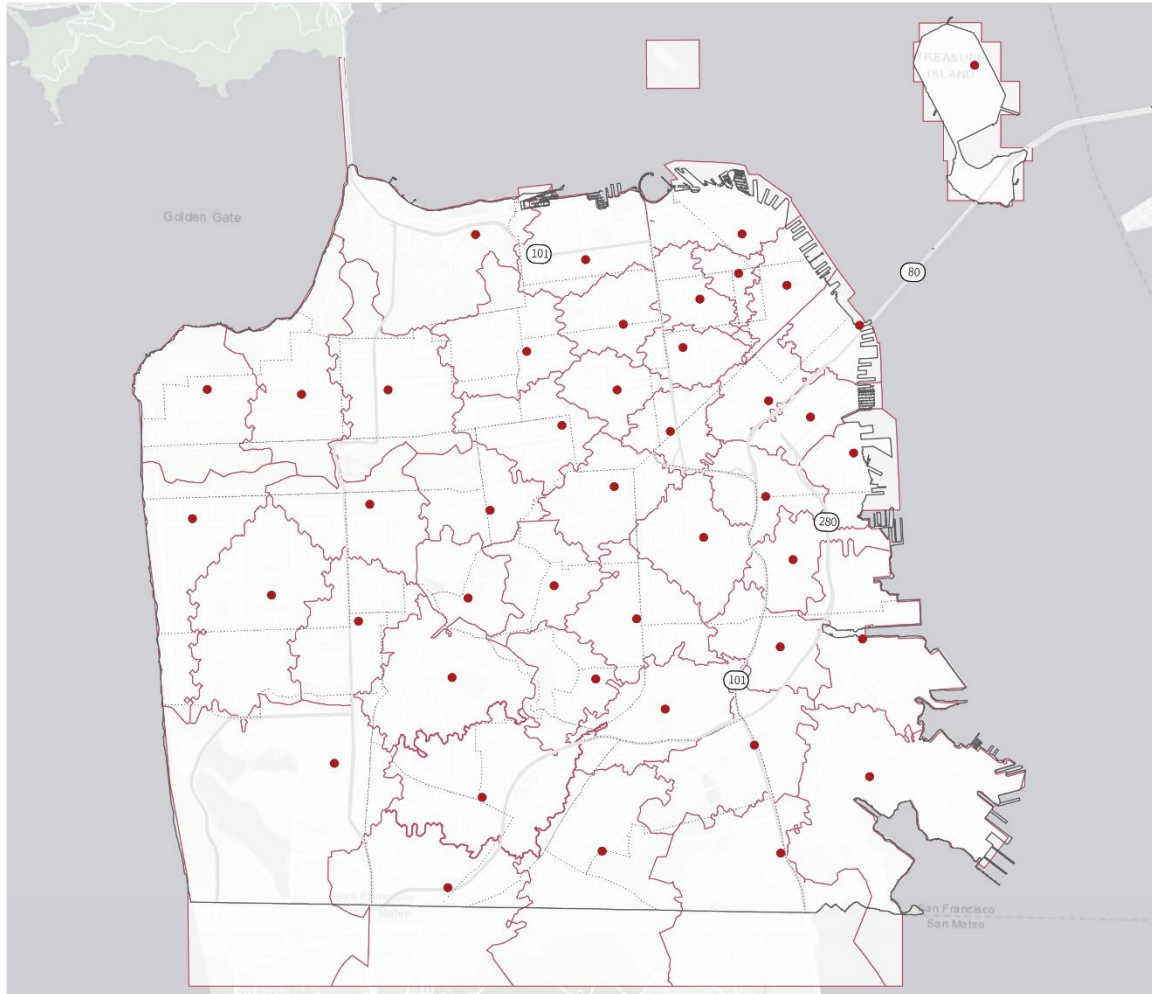
¹³⁰ Email from Jesus Mora, SFFD, September 9, 2019

Figure 24 shows the potential posting locations across the City. In addition, SFFD currently has a devoted ambulance deployment center, located in the Bayview district.¹³¹

Each of San Francisco's 44 fire department facilities has its own service area within the City. Figure 23 shows the service area of each fire station. This analysis focuses on the fire station level, as well as the citywide picture.

¹³¹ Meeting with SFFD staff, September 6, 2019

FIGURE 23: DISTRIBUTION OF FIRE DEPARTMENT FACILITIES



Source: San Francisco Fire Department



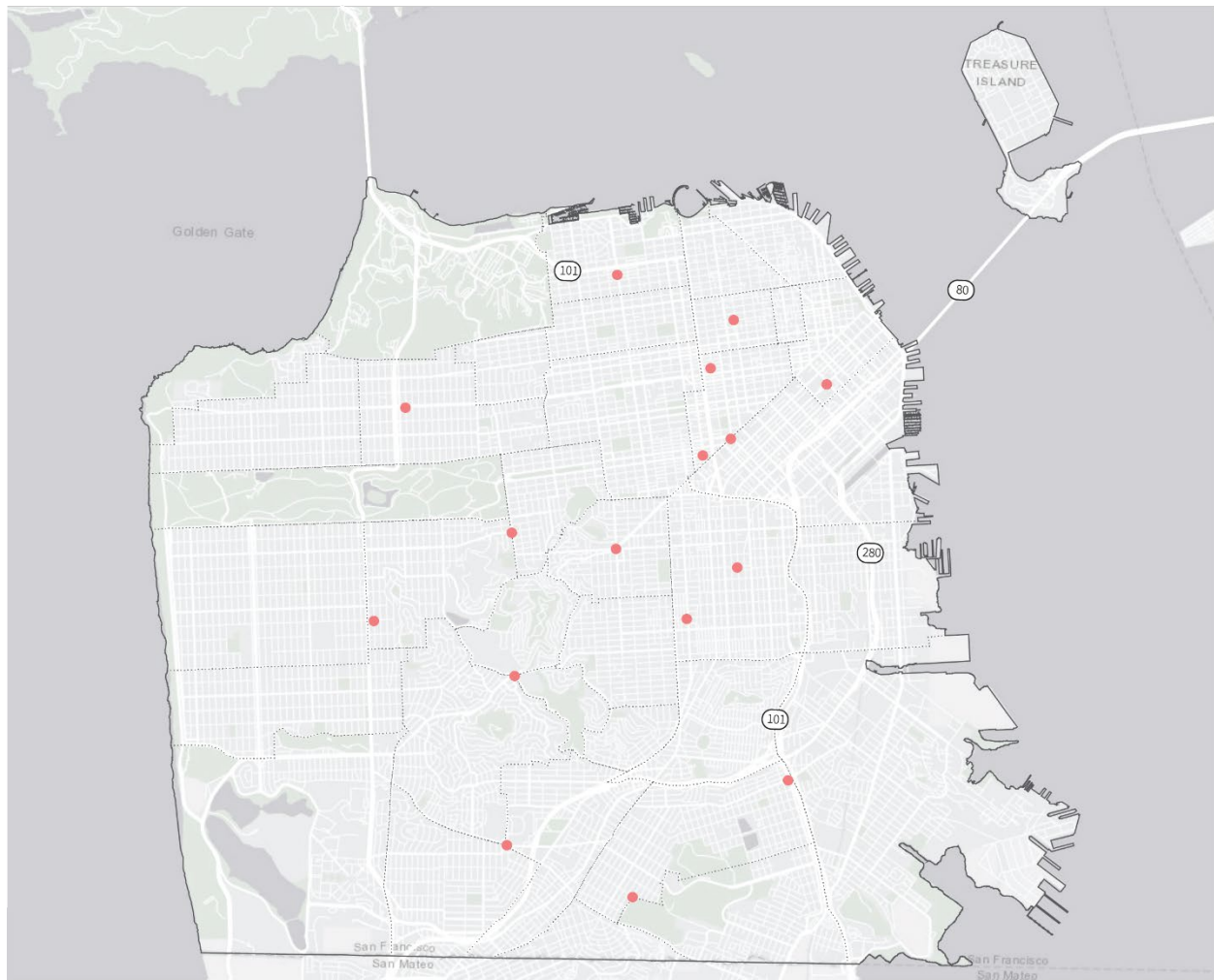
LEGEND

- County Boundary ———
- Highways ———
- Neighborhoods ·····

Fire Department Facilities Service Area

- Fire Department Facilities
- Area Served by 5-Minute Response

FIGURE 24: AMBULANCE POSTING LOCATIONS



Total Number of Ambulance Posting Locations 16

Source: SFFD



LEGEND

County Boundary ———

Highways ———

Neighborhoods ······

Ambulance Locations

● Ambulance Posting Location

9.2 Case Study Comparisons

Table 24 compares the gross provision of firefighting infrastructure across case study cities. Firefighting services can be measured per capita, as with most municipal infrastructure, but also per unit of city area (square mile, in this case), as the level of geographic coverage is important as well. Response time standards vary slightly between cities, and response time Levels of Service are typically reported as percent compliance with those varying standards. They are compared in Table 25, along with the comparison of metrics.

TABLE 24: LOS PROVISION COMPARISON – FIREFIGHTING

City	Fire Department Facilities (total)	Facilities/100,000 Residents ¹³²	Facilities/Square Mile
San Francisco, CA ¹³³	44	5.1	0.9
Minneapolis, MN ¹³⁴	19	4.6	0.4
San Jose, CA ¹³⁵	33	3.2	0.1
San Diego, CA ¹³⁶	52	3.7	0.2
Los Angeles, CA ¹³⁷	102	2.6	0.2
Vancouver, BC ¹³⁸	20	3.2	0.5
Portland, OR ¹³⁹	30	4.8	0.2
Seattle, WA ¹⁴⁰	33	4.8	0.4
New York, NY ¹⁴¹	255	3.0	0.8
Davis, CA ¹⁴²	3	4.4	0.3

¹³² City population and square mileage data from the US Census Bureau.

¹³³ Data from SFFD

¹³⁴ Minneapolis Fire Department 2016 Annual Report (2016)

¹³⁵ City of San Jose Annual Report on City Services 2017-18 (2018)

¹³⁶ San Diego Fire-Rescue Department Standards of Response Cover Review (2017)

¹³⁷ Los Angeles Fire Department Stations Map (2019)

¹³⁸ City of Vancouver: Vancouver Fire Halls (2019); Geographic Information System Emergency Services Response Capabilities Analysis Final Report: Vancouver Fire and Rescue Services (2017)

¹³⁹ Portland Fire & Rescue Annual Performance Report (2016)

¹⁴⁰ Seattle Fire Department 2017 Annual Report (2017)

¹⁴¹ Fire Department, City of New York: Statistics (2017)

¹⁴² City of Davis & UC Davis Shared Fire Management Monthly Performance Report (2014)

City	Fire Department Facilities (total)	Facilities/100,000 Residents ¹³²	Facilities/Square Mile
Boston, MA ¹⁴³	33	4.9	0.7
Santa Monica, CA ¹⁴⁴	4	4.3	0.5
Sacramento, CA ¹⁴⁵	24	4.9	0.2

TABLE 25: LOS METRICS AND SERVICE GOALS – FIREFIGHTING

City ¹⁴⁶	Metric (Response Time Goal)	Level of Service (% Compliance)
San Francisco, CA ¹⁴⁷	Response time of 4:30 or less to 80% of calls	87.6%
Minneapolis, MN	Response time of 5 minutes or less to 90% of calls	83.8%
San Jose, CA	Response time of 8 minutes or less to 80% of calls	71.0%
San Diego, CA	Response time of 5 minutes or less to 90% of calls	77.1%
Los Angeles, CA	None stated	6:30 (average EMS response time)
Vancouver, BC	Response time of 4 minutes to 90% of calls	75.7%
Portland, OR	Response time of 5:20 or less to 90% of calls	60.5%
Seattle, WA	Response time of 4 minutes or less to 90% of calls	77.0%
New York City	None stated	6:44 (average response time for life threatening medical emergencies)

¹⁴³ Mayor of Boston's Quarterly Performance Report (2011); Boston CityScore (2019)

¹⁴⁴ Santa Monica Fire Department Dispatch Evaluation Project (2009); City of Santa Monica, Sustainable Santa Monica (2014)

¹⁴⁵ City of Sacramento Fire Department, Fire Department Standards of Response Cover Review (2016); Sacramento Metropolitan Fire District - Metro Fire Revenue-to-Service Review (March 2014)

¹⁴⁶ Sources the same as prior table

¹⁴⁷ Email from Jesus Mora, SFFD, September 12, 2019

City ¹⁴⁶	Metric (Response Time Goal)	Level of Service (% Compliance)
Davis, CA	None stated	90.5% in under 5 minutes on the UC campus 72.1% in under 5 minutes in the City of Davis
Boston, MA	Response time of 4 minutes or less to 90% of calls	71.0%
Santa Monica, CA	Response time of 4 minutes or less to 90% of calls	70.0%
Sacramento, CA	Response time of 4 minutes or less to 90% of calls	55.0%

9.3 Level of Service Metrics

As previously discussed, the standard metric for measuring fire suppression and EMS services is response time. However, response time represents a combination of capital facilities and operations provision. In order to measure just the provision of infrastructure, the metric for fire department services is:

- Fire Department Facilities per 1,000 Service Population Units (SPU)

9.3.1 Fire Stations per 1,000 SPU

TABLE 26: FIRE STATIONS PER CAPITA – LOS PROVISION, GOAL, AND TARGET

LOS Measure	Value	Source
Current Citywide Provision	0.034 fire department facilities per 1,000 SPU	Data on Fire Department Facilities and their service areas provided by SFFD. Population and Employment data from SF Planning.
Short-Term Target	Maintain 0.034 fire stations per 1,000 SPU	Meeting with SFFD staff on September 6, 2019.
Long-Term Aspirational Goal	Maintain 0.034 fire stations per 1,000 SPU	Meeting with SFFD staff on September 6, 2019.

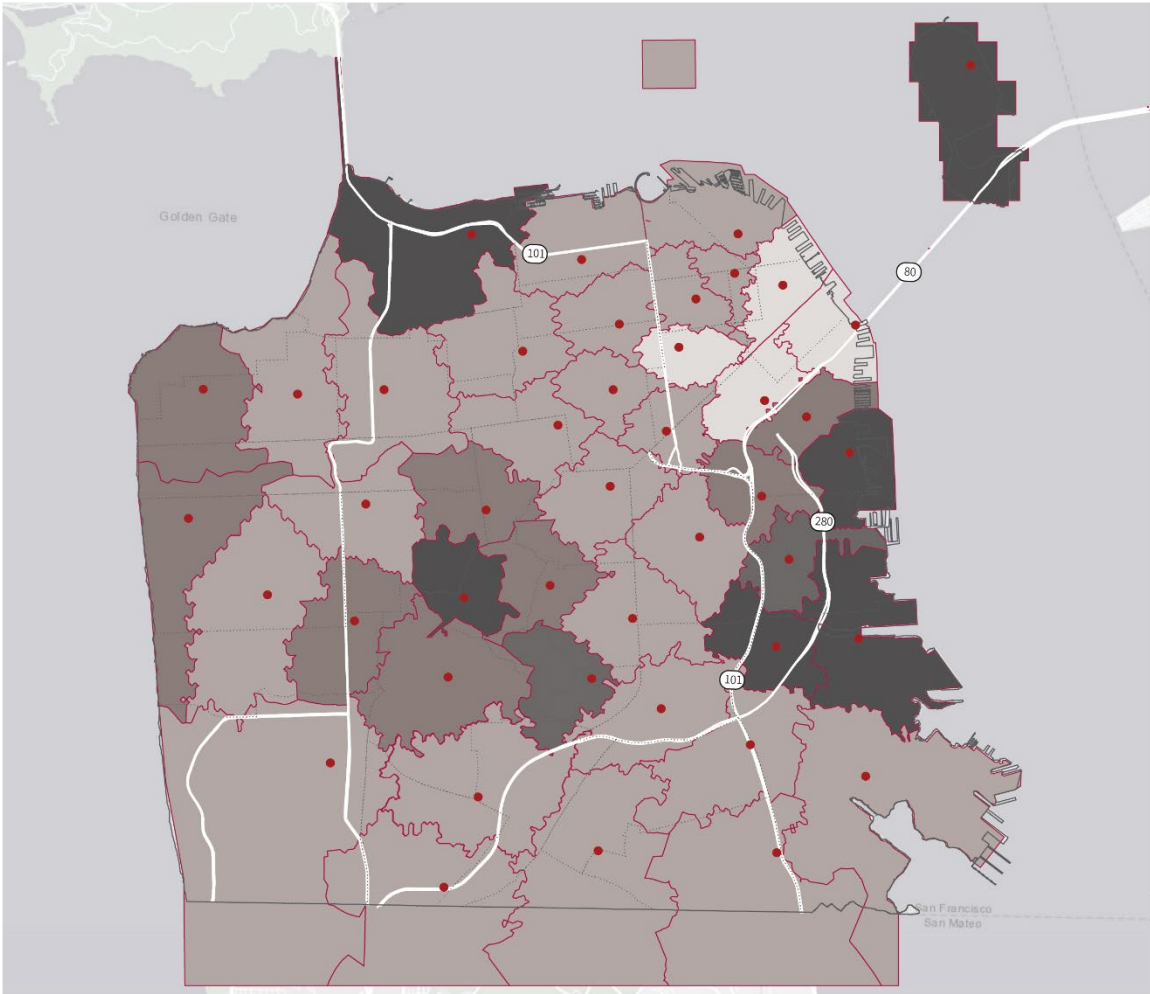
This metric measures the provision of fire department facilities in San Francisco, relative to the size of the population those facilities need to serve. As Table 24 shows, San Francisco has a high level of service by this measure relative to case study cities. For this reason, both the short-term target and long-term aspirational goal are to maintain the current Level of Service.

9.3.1.1 Forecasted Demand

San Francisco's current population and employment projections predict that the City will add roughly 100,000 SPU by 2025, and an additional 200,000 SPU by 2040 (313,000 total SPU growth by 2040). In order to maintain the current LOS for fire department facilities per 1,000 SPU, San Francisco would need to add 3 new facilities by 2025, and a further 7 new facilities by 2040, for a total of 10 new fire department facilities by 2040 to maintain current conditions.

San Francisco's Emerging Southeast Initiative: Southeast Framework calls for adding a new fire department facility at the Hunters Point Shipyard in the Bayview neighborhood. Increasing fire department capital facilities could take the form of new stations, increasing capacity at existing stations, or increasing the stock of citywide infrastructure such as new fire engines and ambulances.

FIGURE 25: FIRE DEPARTMENT FACILITIES PER CAPITA



Number of Fire Department Facilities Per 1,000 Service Population Unit* (SPU)

- < 0.02 fire department facilities per 1,000 SPU
- 0.02 - 0.039 fire department facilities per 1,000 SPU
- 0.04 - 0.06 fire department facilities per 1,000 SPU
- 0.06 - 0.08 fire department facilities per 1,000 SPU
- > 0.08 fire department facilities per 1,000 SPU

Citywide Average: 0.03 fire department facilities per 1,000 SPU
 *In this case, the service population is defined as 100 percent of the residents and 50 percent of the employees.

Source: San Francisco Fire Department, San Francisco population estimates 2019



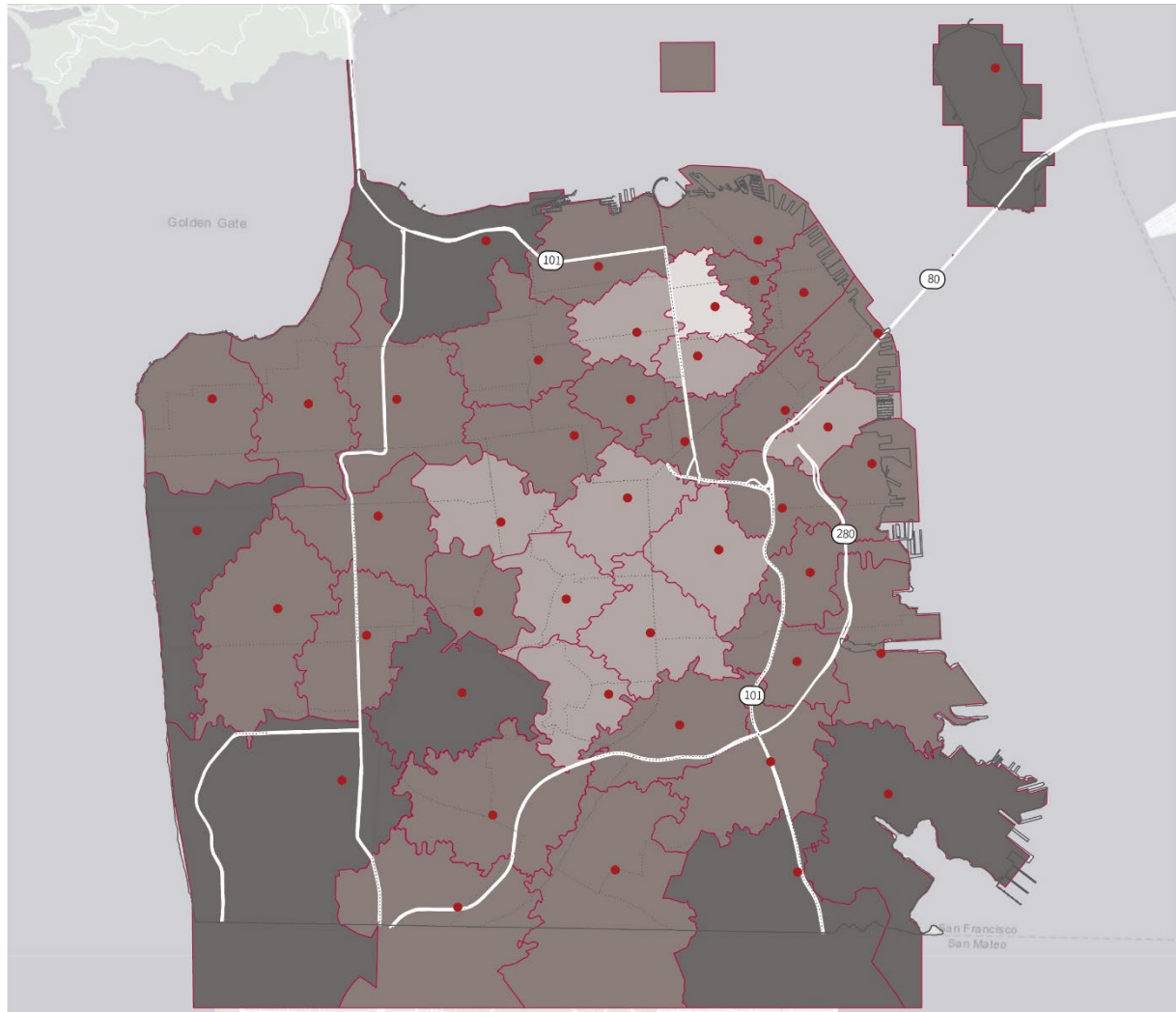
LEGEND

- County Boundary
- Highways
- Neighborhoods

Fire Department Facilities Service Area

- Fire Department Facilities
- Area Served by 5-Minute Response

FIGURE 26: FIRE DEPARTMENT SERVICE AREAS AVERAGE EMERGENCY RESPONSE TIME



Average Emergency Response Time

- Less than 2 minutes
- 2 - 3 minutes
- 3 - 4 minutes
- Greater than 4 minutes



LEGEND

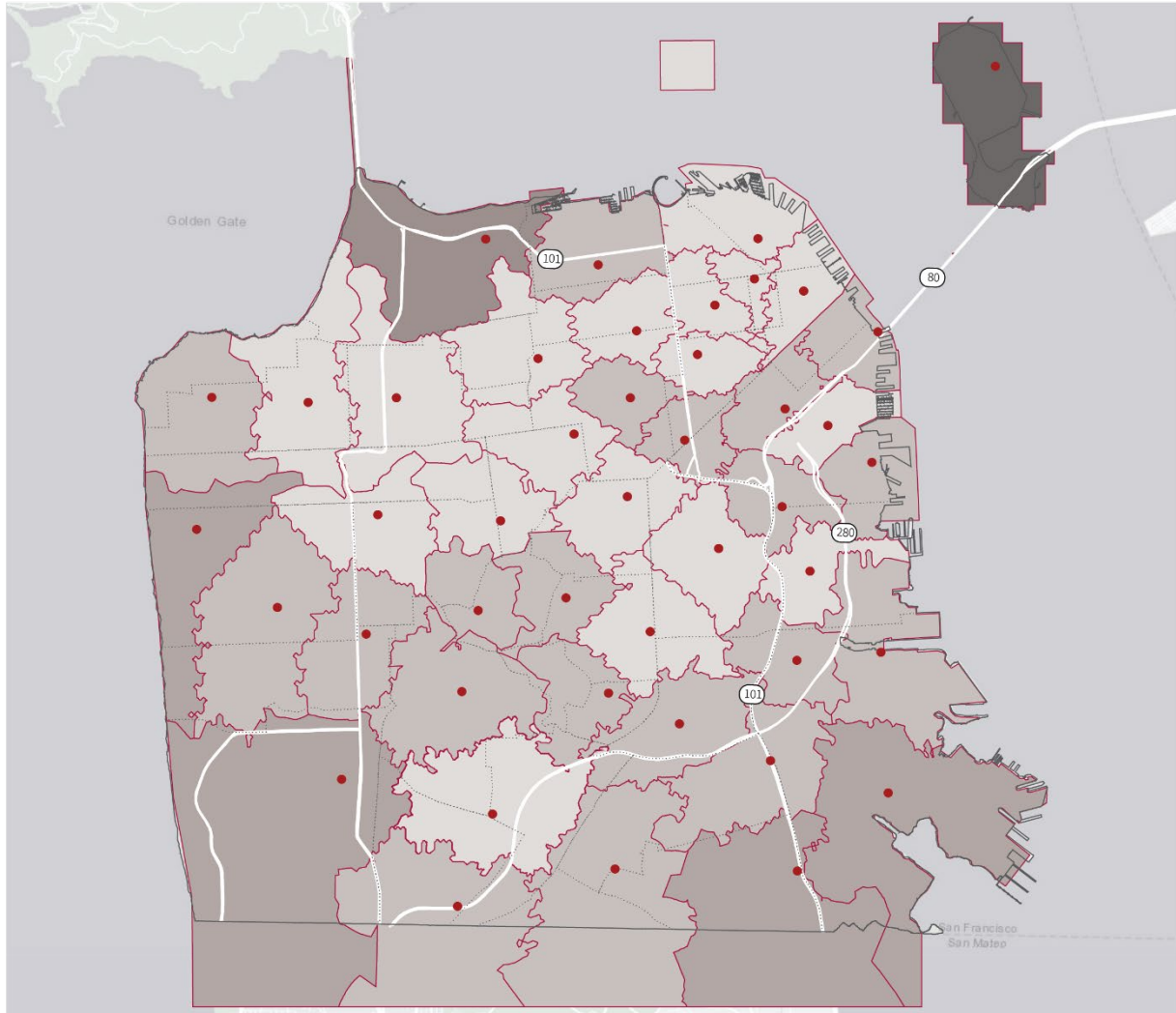
- County Boundary
- Highways
- Neighborhoods

Fire Department Facilities Service Area

- Fire Department Facilities
- Area Served by 5-Minute Response

Source: San Francisco Fire Department

FIGURE 27: FIRE DEPARTMENT SERVICE AREAS 90TH PERCENTILE EMERGENCY RESPONSE TIME



90th Percentile Emergency Response Time

- Less than 5 minutes
- 5 - 6 minutes
- 6 - 7 minutes
- 7 - 8 minutes
- 8 - 9 minutes
- Greater than 9 minutes

Source: San Francisco Fire Department



LEGEND

- County Boundary
- Highways
- Neighborhoods
- Fire Department Facilities Service Area**
- Fire Department Facilities
- Area Served by 5-Minute Response

10 Socio-Economic Analysis

10.1 San Francisco Recreation and Park Department Equity Zones

San Francisco Recreation and Park Department (SFRPD) has a set of equity metrics that are used to establish a baseline of existing recreational and open space infrastructure and resources in equity priority communities¹⁴⁸, compared to services and resources available to the City as a whole, to guide more equitable distribution. Equity priority communities are defined based on census tracts that are scored using population characteristics such as income and pollution burden.¹⁴⁹ For this analysis, equity priority communities were defined using SFRPD-defined equity zones from the Strategic Plan 2016-2020..

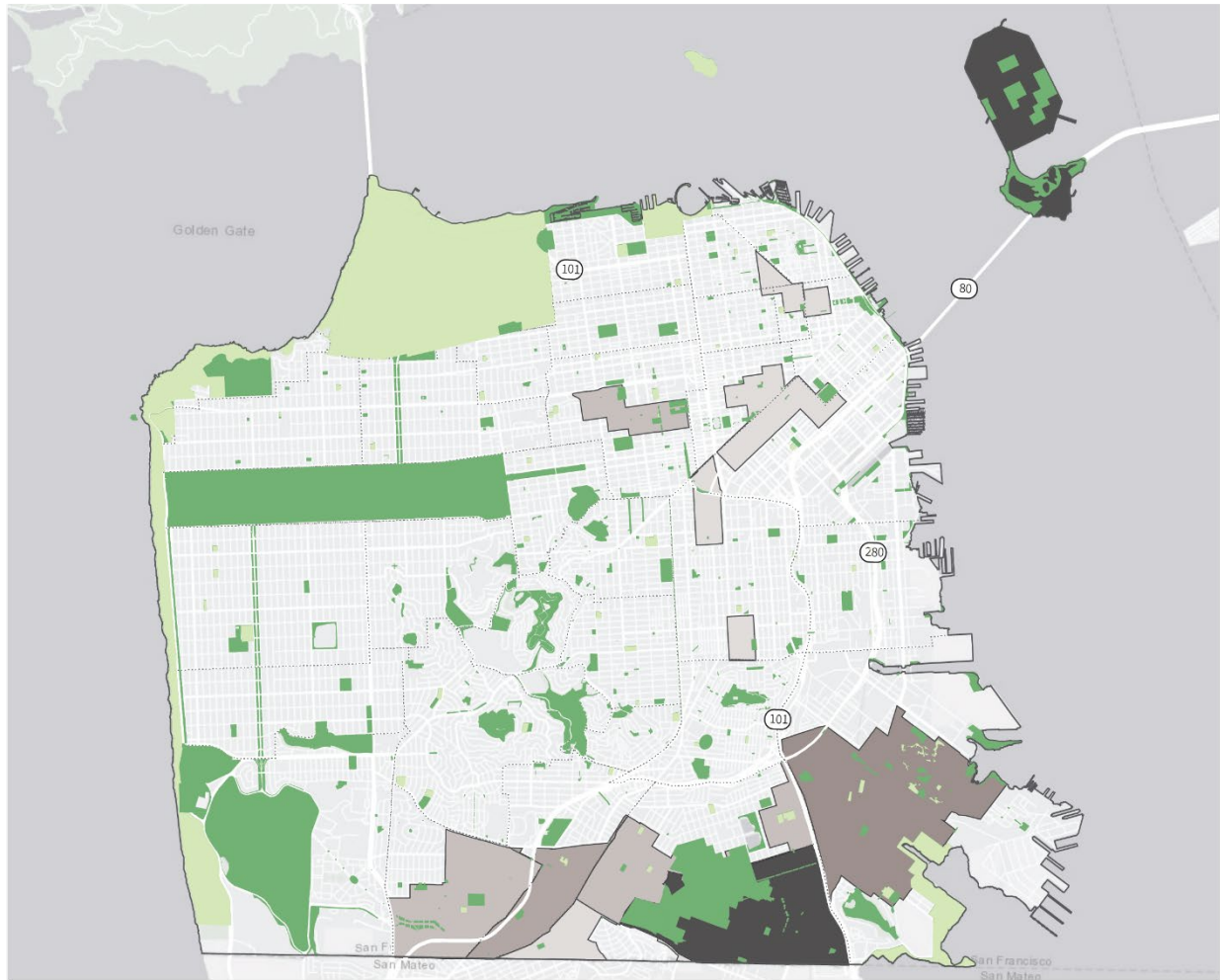
Figure 28 examines city-owned open space per 1,000 service population units where equity priority communities reside. Each equity zone is highlighted, showing the LOS of the neighborhood in which it resides. The analysis shows that equity priority communities near John McLaren Park (on the south side of the City) and on Treasure Island generally have access to a fair amount of open space, but equity priority communities near the financial district tend to have access to less open space.

Figure 29 shows walking access to open space for equity priority communities. As discussed earlier in this report, the entire City is within a 10-minute walk of open space, so this map only examines whether communities are within a 5-minute walk. Overall, equity priority communities in the south parts of San Francisco are more likely to be greater than a 5-minute walk away from open space than those residing in other parts of the City.

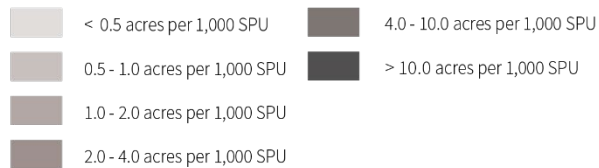
¹⁴⁸ Equity priority communities is a preferred term to be used to describe the various populations that require targeted or focused strategies to advance the City's racial and social equity work.

¹⁴⁹ CalEnviroScreen (CES) offers the standard.

FIGURE 28: CITY-OWNED OPEN SPACE PER 1,000 SPU, BY NEIGHBORHOOD (2018) RELATIVE TO VULNERABLE POPULATION



City-Owned* Open Space Per 1,000 Service Population Unit* (SPU)






City-owned open space: 3,844 acres
 Citywide Average: 3.0 acres per 1,000 SPU

*City-owned open space includes open space controlled by SFRPD, SFDPW, the Port, SFMTA, SFPL, SFPUC, OCII, TIDA, and TJPA.



**The service population unit is calculated based on a 1:0.5 ratio between residents and employees
 Vulnerable populations were defined using the San Francisco Recreation and Parks Department-defined Equity Zones. These are defined in the Strategic Plan 2016-2020 as low income neighborhoods and disadvantaged communities, compared to services and resources available in the City as a whole.



LEGEND

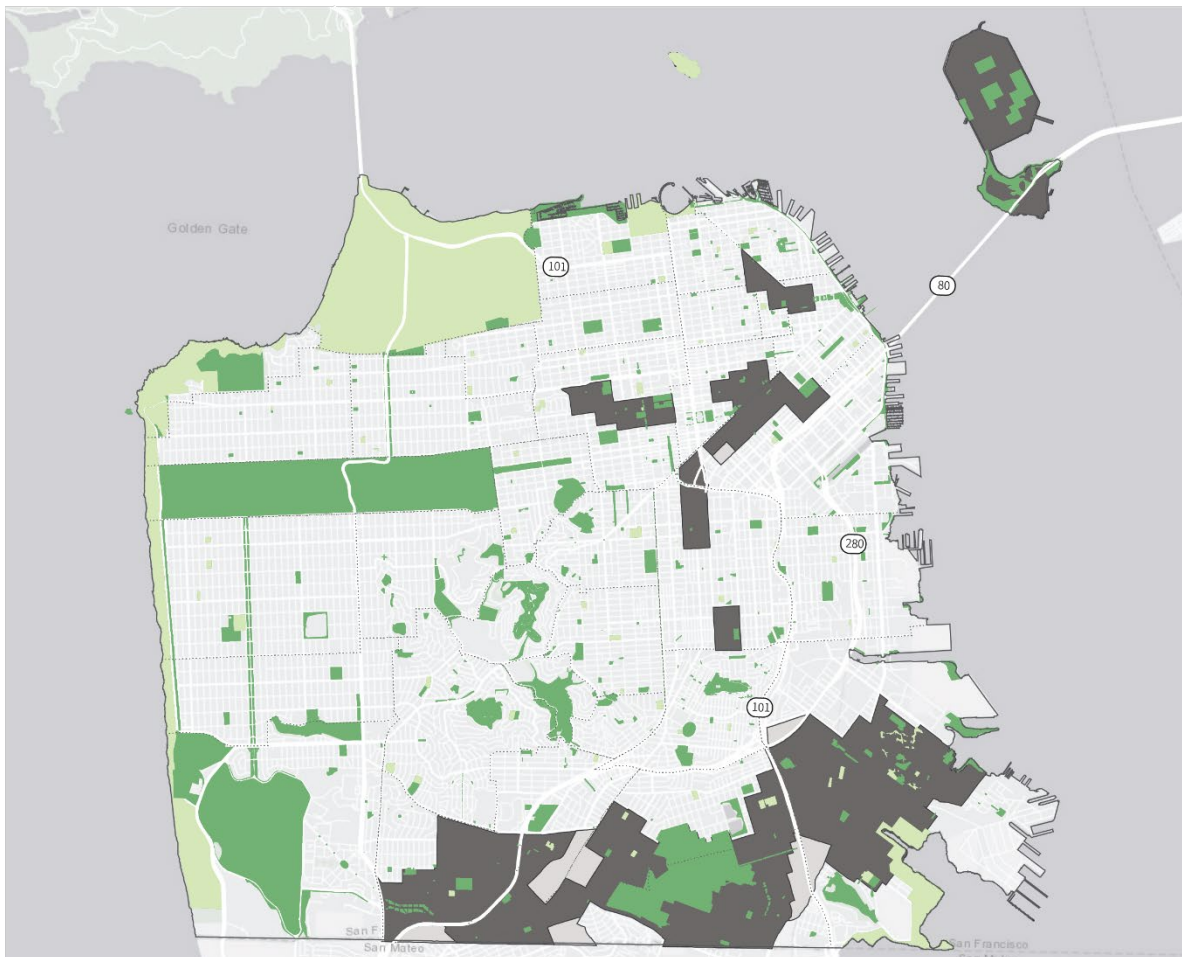
- County Boundary 
- Highways 
- Neighborhoods 

Open Space by Ownership

-  City-owned open space
-  Non-city owned open space

Source: San Francisco Recreation and Park Department, City Parks 2018, San Francisco Recreation and Park Department Equity Zones 2018

FIGURE 29: PROXIMITY OF RESIDENTS TO OPEN SPACE RELATIVE TO VULNERABLE POPULATION



Proximity of Service Population to Recreation and Open Space

- Within 5 minutes walk
- 5 to 10 minutes walk



LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

The walking network for the City of San Francisco was obtained from Open Street Map as a series of nodes and a database of distances and connections between nodes. "Node" refers to any intersection of two or more paths. Any node located inside of or next to (within 50 feet of) a park was set as a Point of Interest (POI), and then the network distance from each node to the nearest POI was calculated based on the database of distances and connections between nodes (as opposed to "as the crow flies"). Finally, each analysis zone was assigned the average walking distance of the nodes within its boundaries.

Vulnerable populations were defined using the San Francisco Recreation and Parks Department-defined Equity Zones. These are defined in the Strategic Plan 2016-2020 as low income neighborhoods and disadvantaged communities, compared to services and resources available in the City as a whole.

Source: San Francisco Recreation and Park Department, San Francisco Open Street Map, City Parks 2018, San Francisco population estimates 2019, San Francisco Recreation and Park Department Equity Zones 2018

10.2 Equity Priority Communities

The Metropolitan Transportation Commission (MTC) designates Equity Priority Communities (formerly communities of concern¹⁵⁰) for the entire Bay Area, including San Francisco. The determination considers eight disadvantage factors: minority residents, low-income residents, residents who do not speak English well or at all, households with no car, senior residents (at or over age 75), persons with disabilities, single-parent households, and cost-burdened renters. These areas include a diverse cross-section of populations and communities that could be considered disadvantaged or vulnerable, both in the present and the future. Equity priority communities include all census tracts that have a concentration of both minority and low-income households at 70% and 30% of all households, respectively, or that have a concentration of three or more of the six other factors.¹⁵¹ Note that equity priority communities boundaries change over time, and the most current boundaries can be found on the San Francisco County Transportation Authority website.¹⁵²

Figure 30 examines the percent of demand for infant and toddler (0-2) child care that can be met by existing slots in neighborhoods where equity priority communities reside. Approximately 16% of infant and toddler care need, on average, can be served through available licensed slots in equity priority communities. The citywide number is 19%. Figure 31 examines the same thing for preschool-aged (3-4) child care. Approximately 77% of preschool care demand, on average, can be served through available licensed slots in Equity Priority Communities. The citywide number is 88%.

Figure 32 shows the miles of premium (class I, class II, and IV) bike lane per capita in neighborhoods where equity priority communities reside. There are less than 0.25 miles of premium bike lane available per 1,000 service population units (SPU) in equity priority communities, lower than the citywide average of 0.58 miles per 1,000 SPU.

Figure 33 illustrates resident population per closest branch library in equity priority communities. There are approximately 40,000 residents per closest branch library in Equity Priority Communities, higher than the citywide average of 32,188 residents. Note that this metric treats the main library as a citywide asset and does not count it as a branch library.

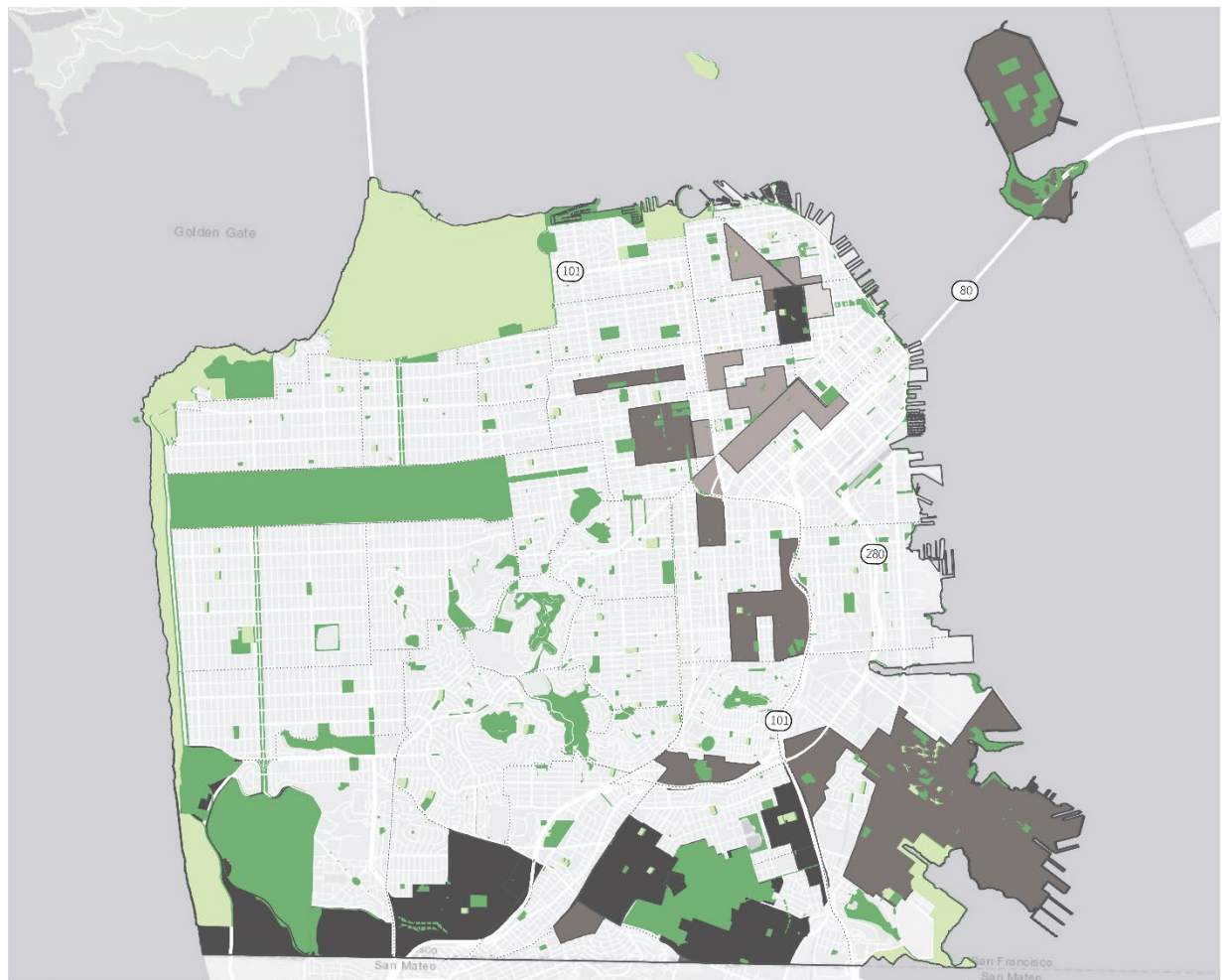
Figure 34 examines the fire department service areas' average emergency response time in equity priority communities. The analysis shows that the average response time is slower in equity priority communities than citywide; average response time for equity priority communities is 4.07 minutes, while the citywide number is 3.44 minutes.

¹⁵⁰ The term 'communities of concern' has changed since the analysis presented in this Report was completed. The report uses the term 'equity priority communities' where appropriate but as the analysis in this Report was completed prior to the term being changed, some references to 'communities of concern' are still included throughout the Report where necessary, including in some maps, figures, and footnotes.

¹⁵¹ Bay Area Metro, Spatial Analysis Mapping Projects, MTC Communities of Concern. <https://github.com/BayAreaMetro/Spatial-Analysis-Mapping-Projects/tree/master/Project-Documentation/Communities-of-Concern>.

¹⁵² The website can be found here: <https://www.sfcta.org/policies/equity-priority-communities>.

FIGURE 30: SHARE OF INFANT AND TODDLER (0-2) CHILD CARE DEMAND SERVED BY AVAILABLE LICENSED SLOTS RELATIVE TO EQUITY PRIORITY COMMUNITIES



Percent of Demand Served by Available Licensed Slots

- Less than 5%
- 5% - 16%
- 16% - 27%
- Greater than 27%

Citywide average: 19% of infant and toddler slots demand served by available licensed slots. Communities of Concern are defined in Plan Bay Area 2040 Equity Analysis section. Communities of Concern include "all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households".

Source: San Francisco Human Services Agency, San Francisco Early Care and Education Needs Assessment (2017), San Francisco Infrastructure Level of Service Analysis (2014), SFCTA Communities of Concern



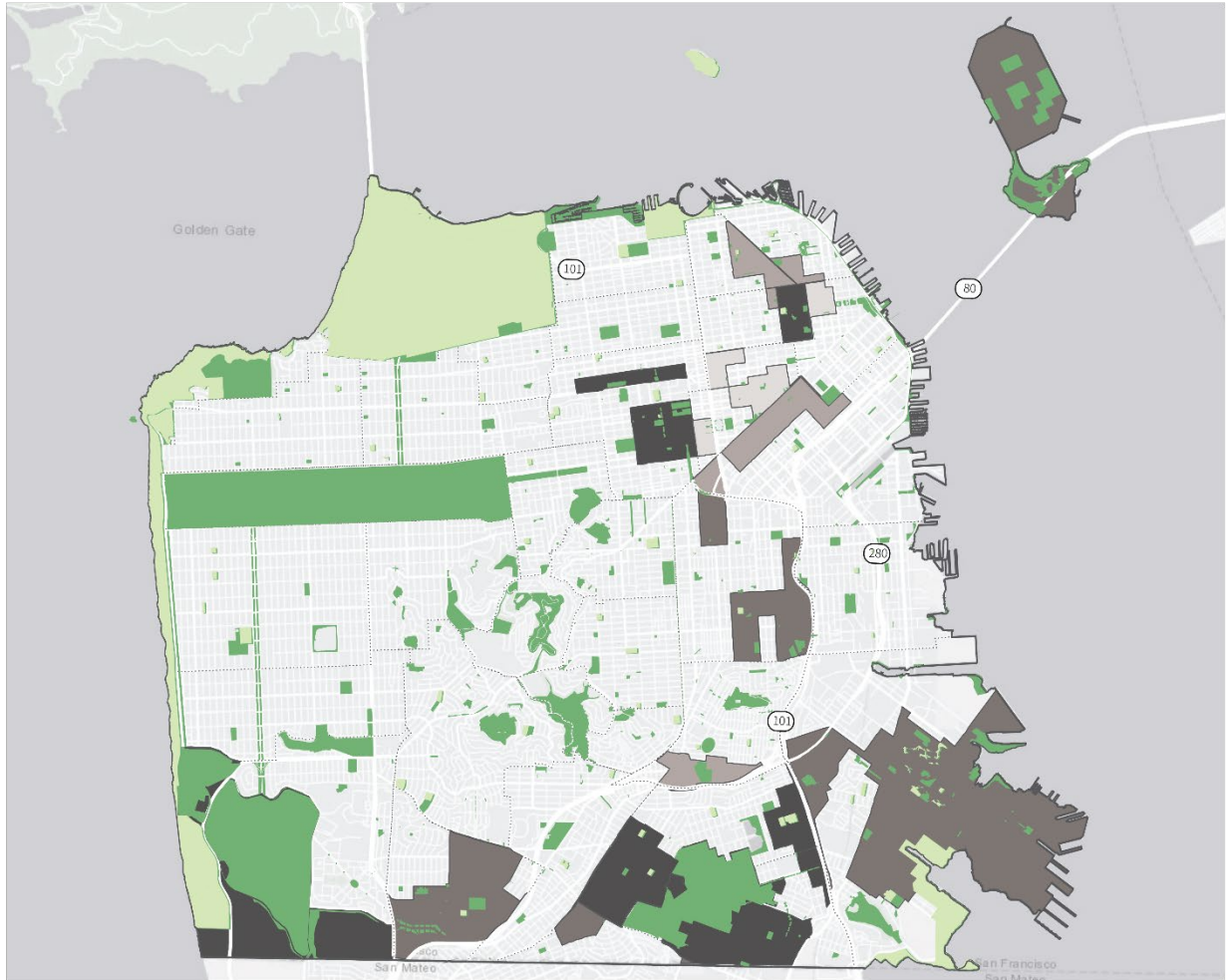
LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

FIGURE 31: SHARE OF PRESCHOOL-AGE (3-4) CHILD CARE DEMAND SERVED BY AVAILABLE LICENSED SLOTS RELATIVE TO EQUITY PRIORITY COMMUNITIES



Percent of Demand Served by Available Licensed Slots

- Less than 38%
- 38% - 77%
- 77% - 114%
- Greater than 114%

Citywide average: 88% of preschool age children demand served by available licensed slots. Communities of Concern are defined in Plan Bay Area 2040 Equity Analysis section. Communities of Concern include "all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households".

Source: San Francisco Human Services Agency, San Francisco Early Care and Education Needs Assessment (2017), San Francisco Infrastructure Level of Service Analysis (2014), SFCTA Communities of Concern



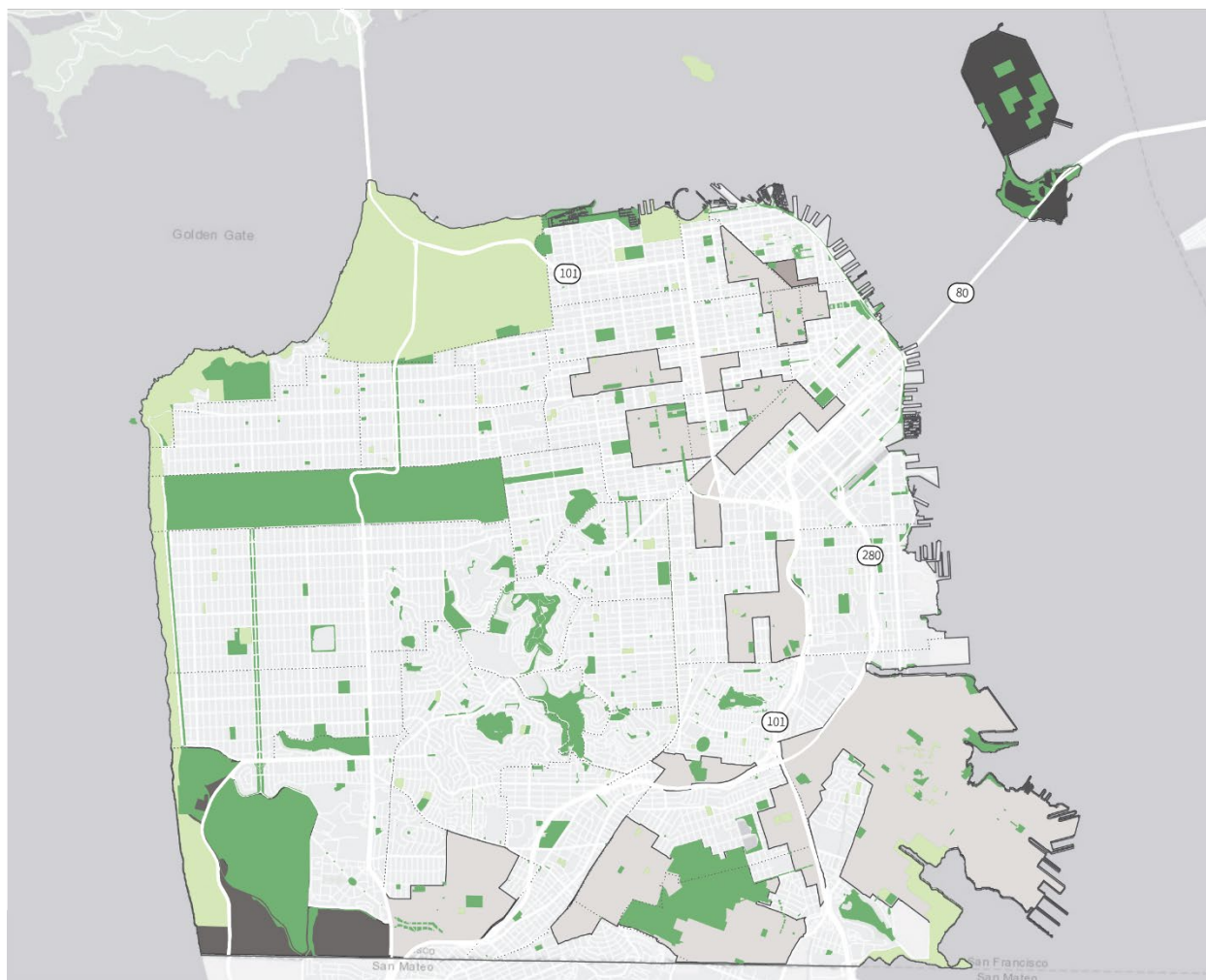
LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

FIGURE 32: MILES OF PREMIUM CLASS (I, II AND IV) BIKE LANES PER CAPITA RELATIVE TO EQUITY PRIORITY COMMUNITIES



Miles of Bike Lane (Class I, II and IV) Per 1,000 Service Population Unit* (SPU)

- < 0.25 miles per 1,000 SPU
- 0.25 - 0.5 miles per 1,000 SPU
- 0.5 - 0.75 miles per 1,000 SPU
- 0.75 - 1.00 miles per 1,000 SPU
- > 1.00 miles per 1,000 SPU

Citywide average: 0.58 miles per 1,000 SPU

Communities of Concern are defined in Plan Bay Area 2040 Equity Analysis section. Communities of Concern include "all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households".



LEGEND

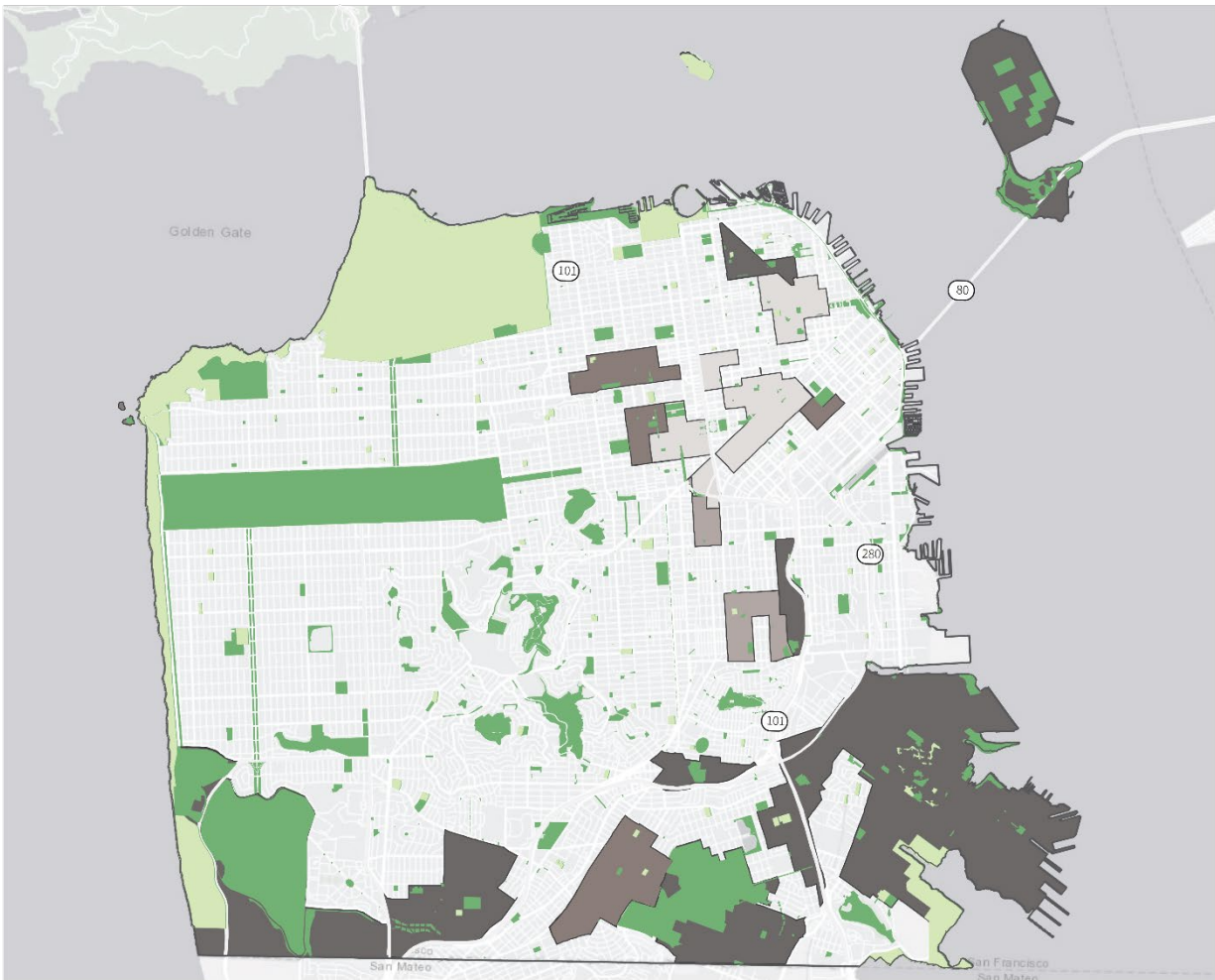
- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

Source: SFMTA Bikeway Network, SF Planning 2019 population estimates, SFCTA Communities of Concern

FIGURE 33: RESIDENT POPULATION TO THE NEAREST LIBRARY RELATIVE TO EQUITY PRIORITY COMMUNITIES



Residents per closest San Francisco Public Library

- < 20,000 residents
- 20,000 - 30,000 residents
- 30,001 - 40,000 residents
- 40,001 - 50,000 residents
- > 50,000 residents

Citywide Average: 32,188 residents overall per library

Communities of Concern are defined in Plan Bay Area 2040 Equity Analysis section. Communities of Concern include "all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households".

San Francisco Public Library, San Francisco population estimates 2019, SFCTA Communities of Concern



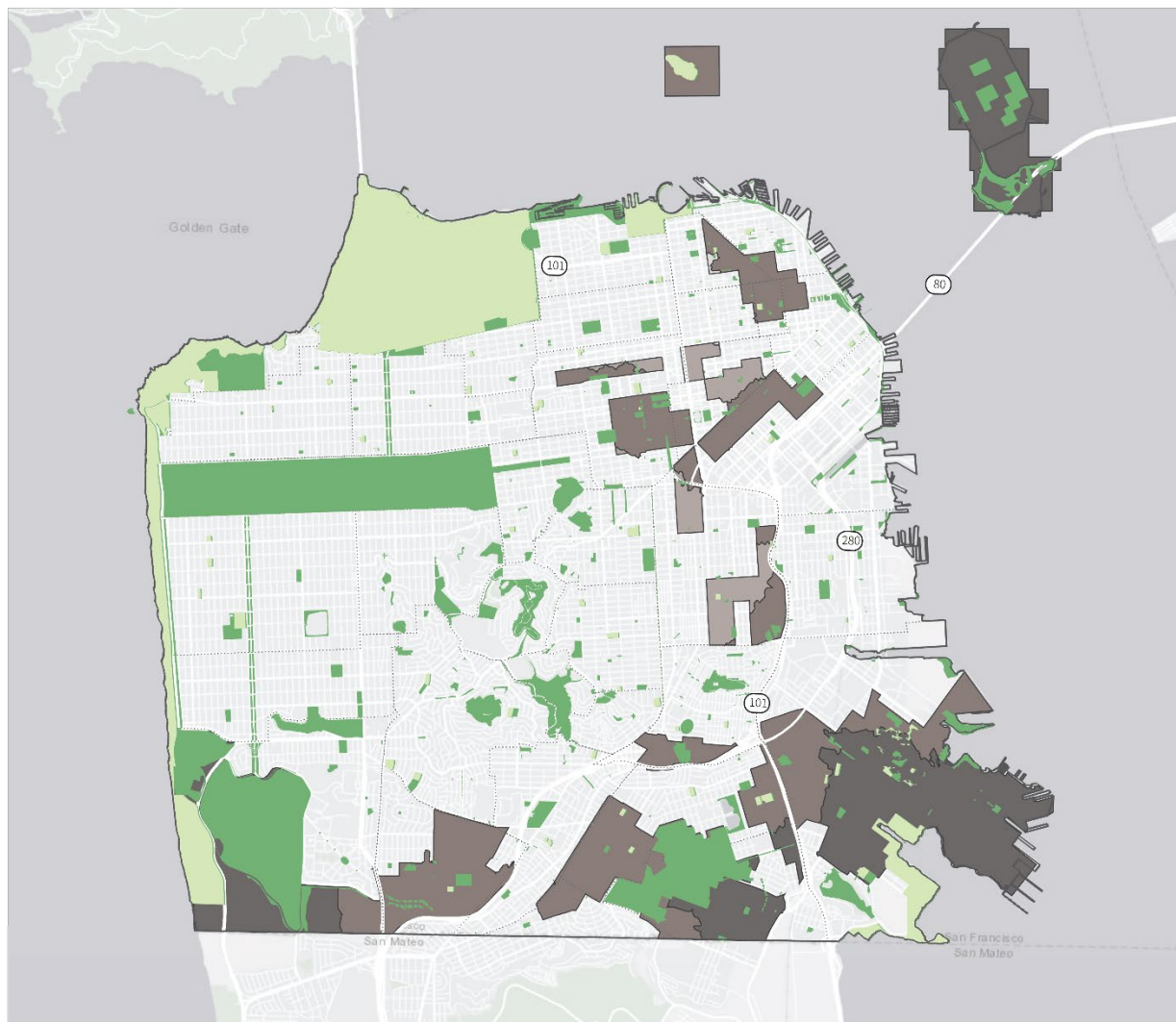
LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

FIGURE 34: FIRE STATIONS AVERAGE EMERGENCY RESPONSE TIME RELATIVE TO EQUITY PRIORITY COMMUNITIES



Average Emergency Response Time

- Less than 2 minutes
- 2 - 3 minutes
- 3 - 4 minutes
- Greater than 4 minutes



LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

Communities of Concern are defined in Plan Bay Area 2040 Equity Analysis section. Communities of Concern include "all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households".

Source: San Francisco Fire Department, SFCTA Communities of Concern

11 Appendices

11.1 Service Population Definitions

In order to estimate the usage of City infrastructure categories, infrastructure provision is measured on a per service population basis. Service population includes City residents and a share of employees. Employees are discounted because they spend less time in the City (as an employee) than residents (or as a resident, in the case of individuals who both live and work in San Francisco). Generally, employees are discounted by 50%, because they spend about half the day at work.

Some infrastructure categories do not use this standard assumption. For child care and transit, demand is calculated directly, and no service population is used. And for libraries, only residents are counted (no employees). Table 27 illustrates how service population is defined for each infrastructure category.

TABLE 27: SERVICE POPULATION DEFINITIONS BY INFRASTRUCTURE CATEGORY

Infrastructure Category	Service Population
Recreational and Open Space	100% of residents plus 50% of employees
Child Care Facilities	Not Applicable
Complete Streets	100% of residents plus 50% of employees
Transit Infrastructure	Not Applicable
Library Facilities	100% of residents
Fire Department Facilities	100% of residents plus 50% of employees

11.2 Citywide and Neighborhood Policy Documents

11.2.1 Task Description

This report provides a review of the City and County of San Francisco’s (City) existing plans and studies pertinent to San Francisco’s infrastructure level of service and development fee program. Hatch reviewed the existing adopted studies, their methodology and assumptions, and identifies preliminary recommendations for modifications to the standards for the update of the infrastructure level of service and nexus studies. Target fees are considerably higher than actual fees charged to the developer.

11.2.2 Documents Reviewed

Table 1 below lists the planning documents and studies reviewed for this report and indicates the specific level of service standard described in the document and evaluated herein.

TABLE 28 : REFERENCE DOCUMENTS REVIEWED

Reference Document	Year Published	Infrastructure Type
San Francisco Citywide Nexus Analysis and Infrastructure Level of Service Analysis (Citywide Nexus Analysis)	2014	Bicycle Childcare Parks and open space Pedestrian and Streetscape Infrastructure Transit
Transportation Sustainability Fee (TSF)	2015 (Updated 2017)	Transit
Transit Center District Plan (TCDP)	2009	All categories for the downtown area
Recreation and Open Space Element (ROSE)	2012	Parks and open space
San Francisco Recreation and Park Department Acquisition Policy	2011	Parks and open space
Better Streets Plan	2011	Street, pedestrian, bicycle, and transit
ConnectSF	2018	Street, pedestrian, bicycle, and transit
San Francisco Transportation Plan	2013	Street, pedestrian, bicycle, and transit
San Francisco Transportation 2045 Task Force Report	2018	Street, pedestrian, bicycle, and transit
SFMTA Strategic Plan	2018	Street, pedestrian, bicycle, and transit
Transportation Climate Action Strategy	2017	Street, pedestrian, bicycle, and transit

Source: Hatch, 2019.

11.2.2.1 San Francisco Citywide Nexus Analysis

Facility Type	Metrics	2014 Level of Service	2014 Short-Term Target
Recreation and Open Space	Acres of City-Owned Open Space per 1,000 Service Population Units	4.0	4.0
Childcare	% of Childcare Demand Served by Available Licensed Slots	37% (infant & toddler), 99.6% (preschool)	37% (infant & toddler), 99.6% (preschool)
Streetscape and Pedestrian Infrastructure	Square feet of sidewalk/improved sidewalk space per service population unit	103	88 of improved sidewalk ¹⁵³
Bicycle Infrastructure	(1) Number of Premium Network Miles, (2) Number of Upgraded Intersections, (3) Number of Bicycle Parking Spaces, and (4) Bicycle Share Program	(1) 51 miles, (2) 3 intersections, (3) 8,800 spaces, and (4) 0 stations & 0 bicycles	(1) 61 miles, (2) 13 intersections, (3) 12,800 spaces, and (4) 50 stations & 500 bicycles
Transit Infrastructure	(1) Transit Crowding (% of boardings relative to capacity), and (2) Transit Travel Time (Average Minutes per Trip)	(1) N/A, and (2) 33.72 minutes	(1) 85%, and (2) 33.6 minutes

The Citywide Nexus Analysis completed in 2014 evaluated five facility types – recreation and open space, childcare, streetscape and pedestrian infrastructure, bicycle infrastructure, and transit infrastructure. The nexus study applied citywide level of service goals established in the level of service analysis and estimated infrastructure demand based on the short-term level of service goal.

11.2.2.1.1 Fee structure by land use and service population density calculators

The nexus study distributed those costs between residential and non-residential applying a single average household size and employment density. In other words, there’s no distinction by unit size or unit type regarding the average number of persons per housing unit and there’s no variation among non-residential structures on the average employment density. This means that PDR and office have the same assumed employment densities.

For most citywide infrastructure categories, the nexus applied service population ratio where one resident represents one service population unit and one employee represents 0.5 service population unit. The

¹⁵³ See Section 11.2.2.1.3.3 for a broader definition of the term “improved sidewalk”.

exception is in park and open space where the study referenced a Phoenix park usage study which estimated 0.19 factor for employees, accounting for their lower propensity of park usage.

11.2.2.1.2 Parks and Open Space

Parks and open space calculators were based on the short-term expansion of park capacity, maintain the level of service. This may need to be reconsidered as it will be difficult to acquire a lot of new land for open space, especially in the Downtown. The parks and open space cost calculators did not include land acquisition costs.

11.2.2.1.3 Streetscape and Pedestrian Infrastructure

11.2.2.1.3.1 Description of Facilities

Streetscape and pedestrian infrastructure includes sidewalk and relevant streetscape and pedestrian amenities in that space, such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco's Public Works Code.

11.2.2.1.3.2 Level of Service Standard

The previous LOS standard was expressed as improved sidewalk space per capita and estimated at 88 square feet (sq. ft.) per capita. The assumptions used to calculate the LOS are presented below in Table 29.

TABLE 29: PEDESTRIAN AND STREETScape INFRASTRUCTURE LOS STANDARD

	Improved Sidewalk (sq. ft.)		Service Population		LOS Standard (sq. ft. per capita)
Metric	115 million	÷	1,301,049	=	88
Description	Existing (2013) improved sidewalk space citywide		Future (2030) citywide service population. Employment numbers are discounted by ½ to account for decreased demand compared to residential demand		Future LOS assuming no increase in sidewalk space above 2013

Source: San Francisco Citywide Nexus Analysis, 2014.

As shown in Table 29, the LOS standard calculation used existing (2013) improved sidewalk space but future (2030) service population. This methodology accounts for the limited opportunities to expand sidewalks, which results in a decrease in the LOS standard as service population grows. Although sidewalk widening could occur in some areas, capital improvement strategies are likely to prioritize improvements of existing sidewalks through the addition of streetscape and pedestrian amenities.

The Transbay Center District Plan (TCDP) calls for removal of roadway lanes in response to increased transit and pedestrian activity in the area. The Plan does not specify if the downtown fee fully accounts for the additional construction costs and associated complexity of converting existing roadway to pedestrian and bicycle right-of-way.

11.2.2.1.3.3 Design Standard & Cost Assumptions

A design standard was established to calculate the cost of maintaining the LOS standard and to determine the maximum justified impact fee. The design standard was based on the average cost across five “typical” street improvement scenarios developed in response to the Better Streets Plan (BSP). The approach identified the streetscape and pedestrian infrastructure costs by removing the roadway elements of the scenarios, yielding an average cost to construct a square foot of ‘improved sidewalk.’¹⁵⁴ Modifications were made to the scenarios to be conservative and avoid potential double counting between the nexus fee and the urban design requirements of Section 138.1 of the San Francisco Planning Code.

11.2.2.1.4 Recommendations

Based on the evaluation of the existing LOS for pedestrian and streetscape infrastructure and the design standard and cost assumptions, the following recommendations are provided for improving this LOS standard.

- Expand the pedestrian and streetscape LOS standard to include bicycle infrastructure. The existing bicycle LOS is relatively low. Combining the pedestrian/streetscape and bicycle infrastructure types into a single category would provide more flexibility on adopted fee levels and the use of fee revenue.
- Update the design standard to include bicycle infrastructure. Include right-of-way pavement costs and associated improvements for all existing Class I, II, III, and IV bicycle routes in the city.
- Update the design standard and cost assumptions for existing pedestrian and streetscape infrastructure based on capital asset inventory estimates of existing components such as pedestrian signals, street trees, bulb-outs, lighting, and landscaping, while addressing any double-counting based on other requirements of the City’s Planning Code. Rather than using a design standard based on improvement scenarios, this approach would improve defensibility of the fee by basing it on the existing infrastructure standard.
- Define the downtown area where the City plans to convert automobile right-of-way to the use of bicycle, pedestrian, and/or transit infrastructure.
- Work with the City’s legal counsel to resolve any duplication between the fee and related development standards.
- Per the scope of work, Hatch will perform a survey of park usage in San Francisco. This will provide the City with a more direct and current estimate of how employees use parks in the city.
- Create three land use categories based on analysis on subcategories: Residential, Commercial, and PDR.

11.2.2.2 Transportation Sustainability Fee

The Transit Sustainability Fee (TSF) included three components, each with their own LOS standard – transit capital maintenance, transit capital facilities, and complete streets. In addition, the TSF Nexus Study included an overarching LOS analysis to demonstrate the impact of development and the need for additional transit facilities and services. The LOS analysis showed that without the transit services and facilities to be fully or partially funded by the TSF, transit service in San Francisco would become increasingly overcrowded, diminishing the performance of the City’s transportation system and San Francisco Municipal Transportation

¹⁵⁴ The cost estimates were provided by the San Francisco Department of Public Works.

Agency staff conducted an analysis of overcrowding using SF-CHAMP model output for existing (2012) and 2040 conditions.

The 2040 projection considered a “no build” analysis that only included transit capital projects anticipated to be completed without funding from the TSF (such as the Central Subway), thereby demonstrating the impact of development and need for TSF funding. As shown in Figure 35, the number of passengers on overcrowded routes would increase from 2010 to 2040 by approximately 6,500 passengers during the morning and afternoon peak periods. When transit reaches capacity, commuters that would have taken transit are unable to and thus they chose to drive, exacerbating congestion.

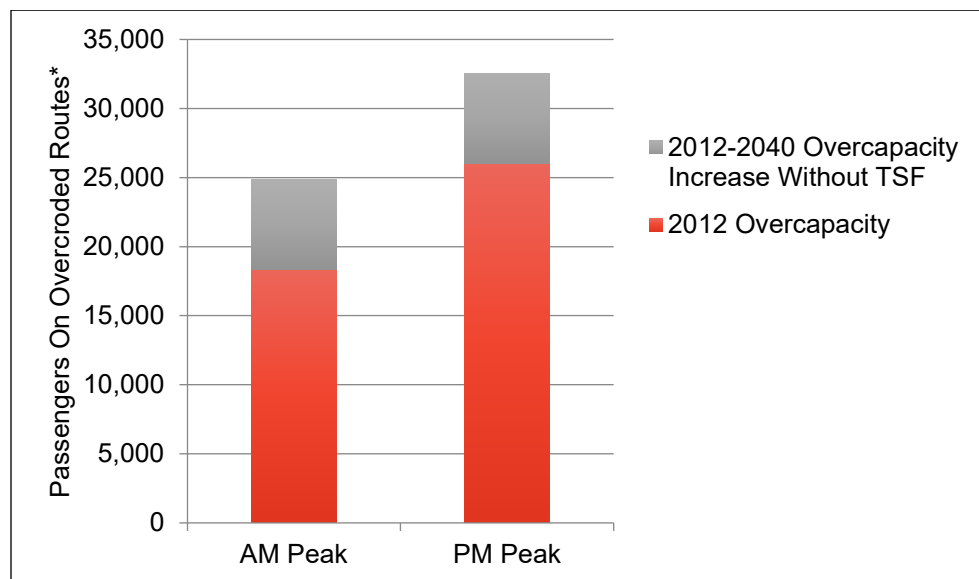


FIGURE 35: FUTURE SCENARIO WITHOUT THE USE OF TSF, SHOWING TRANSIT PASSENGERS ON OVERCAPACITY ROUTES

Note: "Overcapacity" is greater than 85% occupancy with passengers measured at maximum load point on each route.

Source: San Francisco Municipal Transportation Agency, personal communication summarizing analysis of SF-CHAMP model output, MLP Loads & % Contribution.xls, August 29, 2015.

11.2.2.2.1 Transit Capital Maintenance Component

11.2.2.2.1.1 Description of Facilities

The transit capital maintenance component of the TSF may be used for any operating cost that directly supports increased transit service. The 2015 TSF nexus study noted that the SFMTA anticipates using fee revenues solely for direct preventative capital maintenance costs that increase transit service. Fee revenues may not fund capital facilities costs to avoid double counting with the transit capital facilities component of the TSF, nor costs in the two categories excluded the design standard cost assumptions: non-vehicle maintenance costs and general administration.

11.2.2.2.1.2 Level of Service Standard

The existing LOS standard was based on the ratio of the supply of transit services to the level of transportation demand. The assumptions used to calculate the LOS are presented below in Table 30.

TABLE 30: TSF CAPITAL MAINTENANCE COMPONENT LOS STANDARD

Transit Supply <i>(average daily revenue service hours)</i>		Transportation Demand <i>(average daily person trips)</i>		LOS Standard <i>(revenue service hours per 1,000 ADT)</i>
9,474	÷	7,235,000	=	1.31
Existing (2013) transit service		Existing (2013) transportation demand		Existing LOS

11.2.2.2.1.3 Design Standard & Cost Assumptions

A design standard was established to calculate the cost of maintaining the LOS standard and determine the maximum justified impact fee. The design standard was based on (1) the SFMTA annual operating cost (net of non-vehicle maintenance costs, general administration costs, and farebox revenue) per revenue service hour, and (2) the impact fee needed to fund that cost for each new trip from development over a 45-year planning horizon. The cost per revenue service hour excludes non-vehicle maintenance, general administrative, and capital costs because these costs are not directly related to operating costs for expanded transit service. Fare box revenue is deducted because transit system users from new development will pay fares to offset costs.

11.2.2.2.1.4 Recommendations

The methods and approach outlined in previous studies remains adequate, however the following recommendation is noted.

- Update the TSF transit capital maintenance component LOS standard and related design standard and cost assumptions based on the most current data available.

11.2.2.2.2 Transit Capital Facilities Component

11.2.2.2.2.1 Description of Facilities

The transit capital facilities component of the TSF may be used for new or expanded transit capital facilities that support increased transit services, including improved transit vehicle availability.

The TSF Nexus Study identified a range of programs and projects based on various CIP documents, primarily from the SFMTA and San Francisco County Transportation Authority (SFCTA). All programs and projects included in the nexus analysis would provide increased transit service, such as SFMTA transit fleet and facilities expansion, new or upgraded service to increase SFMTA transit speed and reliability, the Transbay Transit Center, and improvements to transit services serving San Francisco by regional transit operators such as BART and Caltrain.

The TSF capital facilities component included bicycle improvements because bicycle infrastructure shift demand away from automobiles and transit thereby relieving auto congestion, improving transit travel times, and reducing transit overcrowding. However, the TSF nexus study stated that funding of bicycle infrastructure would occur solely from the TSF complete streets component (see below) to be consistent with the bicycle, pedestrian, and streetscape infrastructure components of the area plan fees.

11.2.2.2.2.2 Level of Service Standard

Various LOS standards for planning transit capital improvements were used by the SFMTA, SFCTA, BART, and Caltrain to develop the \$6.5 billion CIP used in the nexus analysis. For purposes of the nexus analysis, the LOS standard was reduced to a single cost standard based on the maximum justified level of TSF funding for the Capital Improvement Program (CIP) expressed per trip from new development. The assumptions used to calculate the LOS are presented below in Table 31 and the methodology used to develop the maximum justified amount of TSF funding is described below.

TABLE 31: TSF CAPITAL FACILITIES COMPONENT LOS STANDARD

Maximum Justified TSF Funding		Transportation Demand (<i>average daily person trips</i>)		LOS Standard (<i>cost per trip</i>)
\$1,756,100,000	÷	1,713,000	=	\$1,025
See Section 11.2.2.2.1.3 below		Transportation demand from new development subject to TSF (2010-2040)		Planned LOS to accommodate growth

11.2.2.2.2.3 Design Standard & Cost Assumptions

As described above, the maximum justified TSF funding used to calculate the LOS standard was based on the \$6.5 billion CIP of planned capital programs and projects. The maximum allowable TSF cost share for each program or project was based on using one of two methods:

- Method 1: If the project or program included replacement of existing transit facilities and expanded transit capacity, then the TSF cost share was based on person trips from new development subject to the TSF as a share of total trips (existing plus new development, including development projects not subject to the TSF such as the Candlestick Point – Hunters Point Shipyard, Parkmerced, and Treasure Island – Yerba Buena Island development projects).
- Method 2: If the project or program only provided expanded transit capacity then the TSF cost share was based on person trips from new development subject to the TSF as a share of total trips from new development.

The maximum justified TSF funding of approximately \$1.8 billion equaled the sum of the TSF cost share for each program and project included in the \$6.5 billion CIP, adjusted for any programmed funding that could be allocated to the TSF cost share and only included funding over and above funding needed for the non-TSF cost share.

11.2.2.2.2.4 Recommendations

The methods and approach outlined in previous studies remains adequate, however the following recommendation is noted.

- Update the TSF transit capital facilities LOS standard and related design standard and cost assumptions based on the most recent data available.

11.2.2.2.3 Complete Streets Component

11.2.2.2.3.1 Description of Facilities

The complete streets component of the TSF funds the enhancement and expansion of pedestrian and streetscape infrastructure to accommodate growth. The TSF Nexus Study specifically identified two programs from the SFMTA CIP current at the time of the study that would be eligible for funding with the TSF complete streets component: (1) the pedestrian strategy corridor program, and (2) the striping and signage program. As explained above regarding the TSF capital facilities component, the TSF complete streets component also may fund bicycle infrastructure.

11.2.2.2.3.2 Level of Service Standard

The LOS standard was based on the Citywide Nexus Analysis (see Section 11.2.2.1.3.2).

11.2.2.2.3.3 Design Standard / Cost Assumptions

The design standard was based on the Citywide Nexus Analysis (see above), with the cost per square foot of improved sidewalk adjusted for inflation.

11.2.2.2.3.4 Recommendations

- Update the fee and expand it to include bicycle infrastructure based on the recommendations associated with the citywide nexus study update, discussed above in section 11.2.2.1.4.

11.2.2.3 Transit Center District Plan Implementation Document (2012)

The Transit Center District Plan (TCDP) included two nexus studies and related development impact fees: (1) a park, recreation, and open space fee and (2) a transportation system improvements fee.

11.2.2.3.1 Park, Recreation, and Open Space Development Impact Fee

11.2.2.3.1.1 Description of Facilities

The park, recreation, and open space impact fee funds the acquisition of land, development of park and recreation facilities, and improvement of existing park facilities in lieu of additional land acquisition. Based on the LOS standards described in the following subsection, the TCDP anticipated acquisition and improvement of 3.57 acres of new park land and improvement of 140.16 acres of existing park land. This capital planning is based on a fee zone for the downtown area that extends beyond the Transit Center District Plan area and is roughly bounded by the Embarcadero to the east, Clay, Kearny, and Bush streets to the north, Van Ness Avenue to the west, and Highway 101 and King Street to the south.

11.2.2.3.1.2 Level of Service Standard

The TCDP nexus study was completed in April 2012 and was based on LOS standards developed in a prior citywide nexus analysis last updated in January 2008, shown in Table 32, below. The land acquisition standard was based on opportunities for expanding the City's park system given the limited amount of open space lands. The park improvement standard was based on existing city-owned parks.

TABLE 32: TCDP PARK, RECREATION, AND OPEN SPACE LOS STANDARD

LOS Component	LOS Standard (<i>acres per 1,000 residents</i>)	Notes
Park Land Acquisition & Improvement	0.11	Based on acquisition of 5.9 acres citywide
Park Land Improvement	4.32	Existing (2008) LOS standard for city-owned parks

Allocation of this standard by land use category used a service population approach to reflect relative demand from residential and five non-residential land uses.

11.2.2.3.1.3 Design Standard / Cost Assumptions

The design standard was based on the Citywide Nexus Analysis (see above), with the cost per square foot of improved sidewalk adjusted for inflation.

11.2.2.3.1.4 Recommendations

- Update the fee based on updating the citywide park and recreation LOS standard in the prior nexus study and associated design standards and cost assumptions consistent with the citywide nexus study update.
- Consider using a park land acquisition standard equal to the park improvement standard to increase the maximum justified fee and provide more flexibility on adopted fee levels. This approach is justified by the use of funds that may have been used for park land acquisition but instead are used to accommodate new development by intensifying development of existing parks.
- Update the service population approach for allocation of costs to residential and non-residential land uses based on the citywide nexus study update.

11.2.2.3.2 Transportation System Improvements Development Impact Fee

11.2.2.3.2.1 Description of Facilities

The TCDP Nexus Study identified a range of improvements drawn from the TCDP that were related to streetscape and pedestrian facilities. These facilities are needed to accommodate the increased number and concentration of pedestrians, transit users, cyclists, and carpool commuters anticipated in the TCDP area. Improvements include district-wide circulation, streetscape, and pedestrian improvements, mid-block crossings, Natoma Street and Shaw Plaza improvements, signalization changes, casual carpool waiting areas, and underground pedestrian connector to BART/Muni.

11.2.2.3.2.2 Level of Service Standard

The TCDP identified the improvements included in the nexus study to meet the Plan's objectives. These improvements had an estimated cost of \$278 million. For purposes of the nexus analysis, the LOS standard was reduced to a single cost standard based on the maximum justified level of TSF funding for the identified improvements expressed per trip from new development. The assumptions used to calculate the LOS are presented below in Table 33 and the methodology used to develop the maximum justified amount of TSF funding is described below.

TABLE 33: TCDP TRANSPORTATION SYSTEM IMPROVEMENTS LOS STANDARD

Maximum Justified TSF Funding		Transportation Demand (average daily person trips)		LOS Standard (cost per trip)
\$115,130,000	÷	211,159	=	\$545
See Section 11.2.2.3.2.3, below		Transportation demand from new development within the TCDP (2005-2030)		Planned LOS to accommodate growth

11.2.2.3.2.3 Design Standard & Cost Assumptions

The maximum justified TSF funding used to calculate the LOS standard was based on the list of improvements identified in the TCDP (cost of approximately \$278 million). The maximum allowable TSF cost share for each improvement was based on using one of three methods:

- Method 1: Approximately 100% of the cost of improvement designed specifically to address new development within the TCDP area was allocated to the fee program.
- Method 2: Approximately 48% of the cost of improvements designed to address growth within the greater downtown area was allocated to the fee program based on person trips from new development within the TCDP area as a share of total trips from new development within the greater downtown area.
- Method 3: Approximately 11% of the cost of improvements designed to address both existing and new development within the greater downtown area was allocated to the fee program based on person trips from new development within the TCDP area as a share of total trips from existing and new development within the greater downtown area.

The maximum justified TSF funding of \$115.1 million shown above in Table 33 equaled the sum of the cost share for each improvement included in the improvement list (total \$278 million).

11.2.2.4 Recreation and Open Space Element (ROSE)

The ROSE describes the provision of parks and open space in San Francisco and calls for the enhancement of existing parks as well as a modest expansion of the park system through minor acquisitions and through investments in the right-of-way. The ROSE also includes a clear classification of park components and prioritizes investments in high-need areas based on existing population density, projected growth in population, children, seniors, and concentrations of low-income populations. Many of the projected investments are identified for the eastern shoreline and are anticipated to include both resiliency and open space investments, such as the Blue Greenway.

The ROSE also calls for expansion and strengthening of privately owned public open spaces (POPOS) and greater enforcement of public access to POPOS. Currently, POPOS are not factored into the level of service standard for parks and open space.

Alleyway and green connections are identified as potential investments, both in building green connections to parks and establishing living alleyways.

11.2.2.4.1 Recommendations

- Consider using a park land acquisition standard equal to the park improvement standard to increase the maximum justified fee and provide more flexibility with adopted fee levels. This approach is justified by the use of funds that may have been used for park land acquisition but instead are used to accommodate new development by intensifying development of existing parks.
- Establish a separate downtown park impact fee that uses a higher per unit cost due to increased costs in this area (land and construction costs).

11.2.2.5 Better Streets Plan (2011)

The Better Streets Plan sets right-of-way guidelines for investments in San Francisco streets. It includes stormwater management, pedestrian, bicycle, safety, and lighting goals. The plan was used in the Citywide Nexus Analysis to estimate the average cost per square foot of right-of-way improvement. Hatch can inflate these costs to represent current year estimates or can use new cost estimates provided by the Department of Public Works.

11.2.2.6 ConnectSF

ConnectSF is a broad vision for the City's transportation system for 2050, recognizing future advances in autonomous vehicles, shared mobility, and the establishment of the Transbay Transit Center. It calls for reduce personal automobile use and more equitable provision of transportation infrastructure. As part of next steps, ConnectSF calls for repurposing right-of-ways for more sustainable forms of transports. No costs are developed in this document. It provides general guidance on the future of San Francisco's transportation infrastructure.

11.2.2.7 San Francisco Transportation Plan (2013)

The San Francisco Transportation Plan has a long-term expenditure plan for right-of-way and transit investments to 2040. There is approximately \$75 billion in project transportation revenue to 2040 from 2014, of which \$70 billion is already allocated to specific projects. More than \$66 billion is allocated to road maintenance and repaving needs. Another \$1.2 billion in allocated to the City's pedestrian and bicycle safety programs. Note that some of the goals in this plan have since been updated in later plans.

11.2.2.7.1 Plan Goals

The City has set sustainability and livability goals pertaining to its transportation system, including 50% of trips are taken by walking, bicycling, and transit and 50% reduction in fatal pedestrian injuries. It also calls for a 20% biking mode share. As a result, the plan calls for \$600 million towards fully building out SFMTA's bicycle plan and another \$630 million in pedestrian improvements.

In addition, the plan calls for a 10% decrease in greenhouse gas emissions by transitioning commuters out of personal vehicles into transit and other non-motorized forms of transportation. The plan also calls for 15 miles of protected transit lanes.

11.2.2.7.2 Growth Projections

The Transportation Plan projects population to grow to 1.1 million and have more than 750 thousand jobs by 2040.

11.2.2.7.3 *Plan versus Vision*

The plan budget is \$75 billion in estimated revenue but the plan also calls for alternative financing “Vision” that would add \$7.5 billion towards additional discretionary spending. The implication to the Hatch team is under what expenditure plan should the team use in allocating future transportation infrastructure costs to new development. This should be a discussion point with the City and the Hatch team.

11.2.2.8 *San Francisco Transportation 2045 Task Force Report (2018)*

The San Francisco Transportation 2045 Task Force Report is primarily focused on assessing numerous potential methods for San Francisco to raise revenue for meeting future (and current) transportation capital needs. According to the report, San Francisco anticipates \$32 billion in transportation capital needs by 2045, of which \$22 billion was unfunded at the time of the report (the report was published prior to the passage of Regional Measure 3). The report assumes that the local share of that \$22 billion gap will be 25% - 30%, or \$5.5 - \$6.6 billion.

11.2.2.8.1 *Revenue Sources*

The Task Force considered 29 potential revenue sources, evaluating them for equitability, the significance of revenue potential, ability to support policy objectives, reliability, the degree to which the funds would be dedicated, the flexibility of the funding source, growth potential, ease of administration, and ease of establishing. Broadly speaking, the sources fit into five categories: vehicle-related sources, property-related sources, sources paid by individuals and businesses, entertainment/leisure-related sources, and sources that would require a more complex approval process than could be achieved within 2018.

11.2.2.8.2 *Recommendations*

Ultimately, the report recommends four local revenue sources that could be approved quickly: a sales tax, a commercial property rent tax, a vehicle license fee, and a platform/gig economy tax. It also recommends two local revenue sources which would require state approval: congestion pricing and a fee for transportation network companies.

Beyond recommendations for new local revenue sources, the report reaffirms Proposition J’s expenditure priorities, recommends continuing to lobby the state and federal governments for transportation funding (in addition to the authorization of the above-mentioned local funding mechanisms), and reaffirms support for the 2040 Task Force Report (published in 2013) recommendation of a general obligation bond in 2024.

11.2.2.9 *SFMTA Strategic Plan*

The San Francisco Municipal Transportation Agency (SFMTA) Strategic Plan lays out a series of performance targets for San Francisco’s transportation system, to be achieved by Fiscal Year (FY) 2019 and FY 2020. The plan also provides some steps the SFMTA can take to help achieve those goals.

11.2.2.9.1 *Safety*

Goal 1 is to create a safer transportation experience for everyone. There are three objectives within this goal: achieve vision zero, improve the safety of the transit system, and improve security for transportation system users. By FY 2019 and FY 2020, there should be no traffic fatalities, a decrease in Muni collisions and crimes per mile driven, and an increase in Muni customer ratings.

11.2.2.9.2 *Travel Choices*

Goal 2 is to make transit and other sustainable modes of transportation the most attractive and preferred means of travel. There are three objectives within this goal: improve transit service, enhance and expand use of the city's sustainable modes of transportation, and manage congestion and parking demand to support the Transit First policy. By FY 2019 and FY 2020, Muni should be more on-time (with fewer service gaps and breakdowns), Muni ridership should be up (along with bicycle trips, as part of a 58% citywide sustainable mode share goal), and Muni travel times should be faster.

11.2.2.9.3 *Livability*

Goal 3 is to improve the quality of life and environment in San Francisco and the region. There are five objectives within this goal: advance equity, support sustainable transportation and land use principles, guide emerging mobility, improve air quality, and achieve financial stability for the SFMTA. By FY 2019 and FY 2020, Muni should expand its Free Muni program (and close the service gap differential in Equity Priority Communities), new developments should have fewer parking spaces per unit, emerging mobility services should be better monitored, San Francisco's transportation system should be producing fewer carbon emissions, and the SFMTA should be fiscally sound.

11.2.2.9.4 *Service*

Goal 4 is to create a workplace that delivers outstanding service. There are five objectives within this goal: strengthen employee morale, improve employee safety, enhance customer service, diversify the workforce, and increase the efficiency of project delivery. By FY 2019 and FY 2020, employee satisfaction should be up (and the unscheduled absence rate should be down), workplace injuries and security incidents should be down, customer complaints should be down (and ratings up), employee ratings should be up, and more projects should be completed on time.

11.2.2.10 *Transportation Climate Action Strategy*

The San Francisco Transportation Sector Climate Action Strategy lays out San Francisco's plan and goals for reducing the city's impact on climate change, including an assessment of the status quo. By 2017, San Francisco had reduced its greenhouse gas emissions by 28% from 1990 levels, despite a population increase of 19.5% and a GDP increase of 78% in that same time period. The City had also met its goal of 52% sustainable mode share by 2017. By 2030, San Francisco should have 80% of its trips take place in environmentally sustainable modes (transit, biking, and walking), and emissions overall should be 80% below 1990 levels. The following sections outline specific tasks for achieving these goals.

11.2.2.10.1 *Transit*

Continue implementing Muni Forward service improvements, along with prioritizing transit service in the public right of way, implementing recommendations from the Core Capacity Transit Study, and supporting these endeavors with Cap and Trade funding.

11.2.2.10.2 *Land Use & Transportation*

Implement innovative and robust land use and transportation plans, including Connect SF.

11.2.2.10.3 *Pricing & Congestion*

Update pricing, expand SFpark, and complete further pricing studies.

11.2.2.10.4 Transportation Demand Management

Support efforts regional fare integration to support transit ridership, reach out to employers (especially outside of the downtown core), and create a TDM program for K-12 schools.

11.2.2.10.5 Complete Streets

Update San Francisco's Bike Plan, construct the network's high priority components, and construct complete streets projects that increase bicycle and pedestrian safety, integrating green infrastructure as much as possible.

11.2.2.10.6 Zero Emission Vehicles & Infrastructure

Develop a zero emission vehicle strategy that works with San Francisco's Transit First policy, implement high priority recommendations from that strategy, and develop a plan to transition taxis, paratransit vehicles, and school buses to zero emission vehicles.

11.2.2.10.7 Emerging Mobility

Develop an emerging mobility strategy, implement a pilot program related to emerging mobility, quantify greenhouse gases associated with emerging mobility, and collect and analyze data from emerging mobility providers.

11.2.2.10.8 Education Capacity & Communication

Educate the public and city staff about the causes and impacts of climate change and sea level rise, and engage communities and stakeholders on solutions.

11.2.2.10.9 Capital Planning

Examine the resiliency of current transportation infrastructure to sea level rise, and prepare a set of financial tools to fund the development of a climate resilient transportation system.

11.2.2.10.10 Vulnerability Assessment

Identify system wide vulnerabilities, the impacts the disadvantaged communities, and identify data and information gaps.

11.2.2.10.11 Adaptation Strategies, Plans & Policies

Lead collaborative planning efforts on climate adaptation and resilience planning, and monitor and document climate related impacts to the current transportation system.

11.2.2.10.12 Partnerships & Collaboration

Build and maintain strong working partnerships across city departments and other regional, state, national, and international agencies and individuals to support the development of a resilient transportation system.

11.2.3 Overall Recommendations

11.2.3.1 Downtown Boundary

The Downtown boundary remains unclear after reviewing the Transbay Center District Plan and recognizing that the Transbay Center District is mostly built out. The area should be large enough to account for the broader growth projected south of market and the further intensification of Market Street. One method would

be to isolate for streetscape and open space fees specifically considering both infrastructure assets will have higher unit costs in the downtown core than elsewhere in the city.

11.2.3.2 Commercial versus Industrial

The Citywide nexus analysis used a residential and non-residential fee in ascribing infrastructure need. This meant that office and PDR uses were defined as having the same employment densities, which are typically dramatically different. Hatch recommends the use of three fee components – residential, commercial, and industrial to more-accurately reflect actual employment densities.

11.2.3.3 Pedestrian & Bicycle Facilities

While the City has established overall plans and costs for the improvement on bicycle routes that are more focused than improvements to the pedestrian right-of-way, both bicycle and pedestrian investments overlap in the public right-of-way. Combining the pedestrian/streetscape and bicycle infrastructure types into a single category would provide more flexibility on adopted fee levels and the use of fee revenue. This Right of Way Nexus should include both Complete Streets and the Transportation Sustainability Fee.

The fee program needs to delineate its uses of recreation and open space funds from the pedestrian and bicycle funds. Meaning, recreation and open space funds can go towards capital investments providing additional recreation and open space opportunities for San Francisco residents and workers. These facilities are to be managed by the San Francisco Department of Recreation and Park. Whereas right of way investments, which could include plazas and additional open space elements, would be managed and operated by the San Francisco Department of Public Works.

11.3 City Agency Stakeholders

TABLE 34: SAN FRANCISCO CITY AGENCIES AND CONTACTS

San Francisco City Agency	Name	Email
Planning	Seung Yen Hong	seungyen.hong@sfgov.org
	Mathew Snyder	mathew.snyder@sfgov.org
	Adam Varat	adam.varat@sfgov.org
	Heather Green	heather.green@sfgov.org
	Kate Faust	Kate.faust@sfgov.org
	Scott Edmondson	scott.edmondson@sfgov.org
Recreation and Park	Stacy Bradley	stacy.bradley@sfgov.org
	Taylor Emerson	taylor.emerson@sfgov.org
	Maggie Laush	maggie.laush@sfgov.org
	Yael Golan	yael.golan@sfgov.org
Office of Early Care and Education	Graham Dobson	Graham.Dobson@sfgov.org
Department of Public Works	Elizabeth Ramos	elizabeth.ramos@sfdpw.org
	Oscar Quintanilla	oscar.quintanilla@sfdpw.org
Municipal Transportation Agency	Monica Munowitch	Monica.Munowitch@sfmta.com
	Matt Lasky	Matt.Lasky@sfmta.com
Public Library	Randle McClure	randle.mcclure@sfpl.org

Fire Department	Olivia Scanlon	olivia.scanlon@sfgov.org
	Jesus Mora	jesus.mora@sfgov.org

11.4 Data Sources

Data	Data File Name	Source	Data Year
Analysis Zone Locations	LUA_2019.shp	Planning (Scott Edmondson)	2019
Housing, population, and employment estimates	Updated LUAs.csv	Planning (Scott Edmondson)	2019
Housing, population, and employment projections	zone_indicators_2025.csv zone_indicators_2040.csv	Planning (Scott Edmondson)	2015
Neighborhood names and locations	Neighborhoods.shp	Planning (Seung Yen Hong)	Current
Parks Equity Zone Locations	EquityZones2017v2.shp	San Francisco Recreation and Park Department (Janice Lau Perez)	Current
Equity Priority Communities Locations	CoC.gdb	Planning (Seung Yen Hong)	Current
Park acreage, location, ownership, and characteristics	SanFrancisco_City_parks_clip2018.shp	Rec and Park (Coordinated by Seung Yen Hong)	2018
Location and length of San Francisco walking paths	owm_walk_2way_subset.h5	Open Street Map	2019
Licensed child care information	2019.4.11 Center FCC Provider data (2.0).xlsx	Office of Early Care and Education (Graham Dobson)	2019
Proportion of child care per age group	San Francisco Early Care and Education Needs Assessment 2017	Published document	2017
Location, length, and width of sidewalks	geo_export_6f22a8a1-1212-4203-a9a7-71768d6f22ea.shp	DPW (Coordinated by Seung Yen Hong)	
Location of street trees	Street_Tree_Map.csv	DataSF	Current

Location of curb ramps	map_of_curb_ramps.shp	DPW (Coordinated by Seung Yen Hong)	
Location and class of bike lanes	geo_export_b1c1cc8e-e461-482a-b49e-9b9ec7c11122.shp	DPW (Coordinated by Seung Yen Hong)	
Location of street lights	Streetlight.shp	SF Water (Rodolfo Clavel)	
List of bulb outs	CRonBulbOut.xlsx	Department of Public Works (Elizabeth Ramos)	Current
Location and size of libraries	Libraries.shp	SFPL (Coordinated by Seung Yen Hong)	Current
Location of fire department facilities	Fire_Stations.shp	SFFD (Coordinated by Seung Yen Hong)	Current
	SFFD data V3.csv	SFFD (Coordinated by Seung Yen Hong)	Current
Service areas and response times of fire department facilities	SFFD_Response_Times.xlsx	SFFD (Coordinated by Seung Yen Hong)	Current
	First_Due_Engine_Station_Area.shp	SFFD (Coordinated by Seung Yen Hong)	Current
List of ambulance posting locations	Ambulance_Posting_Locations.xlsx	Fire Department (Jesus Mora)	Current

11.5 Parks Survey Results Memo

11.5.1 Purpose

The purpose of this survey was to determine the ratio of San Francisco workers' frequency of visiting city parks to San Francisco residents' frequency. This ratio is necessary to determine the service population that San Francisco parks serve: workers are only counted as a fraction of their total and then added to residents, so that each unit of service population visits San Francisco parks with the same frequency. This number can then be used to estimate demand for city parks, potentially based on the number of residents or workers a new development would house.

11.5.2 Findings

The survey results determined that workers in San Francisco visit city parks with a ratio of 0.72 (or 72%) compared to city residents. Table 35 shows the calculation that was used to determine this number. First, the workers were broken down into two groups: workers who do not live in San Francisco ("worker only") and workers who also live in San Francisco ("SF live and work, from work"). Then, a ratio for each group of workers was calculated, relative to the frequency with which San Francisco residents visit city parks (from home, in the case of people who both live and work in the city). Finally, these ratios were weighted based on the percent of total workers in San Francisco who live in the city versus those who commute in (Work Force Distribution). This last piece of data comes from Longitudinal Employer-Household Dynamics (2015), which is run by the US Census Bureau.

Note that this report uses a lower ratio of workers to residents (0.5:1) than the findings of this survey would allow (0.72:1) in order to be consistent with other infrastructure categories.

TABLE 35: WORKER TO RESIDENT USAGE RATIO CALCULATION

	Average Park Visits a Month by Origin of Visit	Usage Ratio to Resident	Work Force Distribution ¹⁵⁵	Calculated Share
Worker Only	4.40	0.59	60%	0.35
All residents (from home)	7.49	1.00		
SF Live and Work, from Work	7.08	0.92	40%	0.37
SF Live and Work, from Home	7.74	1.00		
Average Worker Usage Ratio to Resident:				0.72

11.5.3 Methodology

The information in this survey was collected by asking park users how frequently they visit city parks coming from home or work. The goal was to collect at least 100 surveys each from San Francisco workers and San Francisco residents, in order to produce statistically significant results for each group. As shown in Table 36, that was surpassed.

TABLE 36: SURVEYS BY RESPONDENT’S RELATIONSHIP TO SAN FRANCISCO

	Number of Surveys
I live and work in San Francisco	281
I live in San Francisco	83
I work in San Francisco	59
I do not live or work in San Francisco	76
TOTAL	499

11.5.3.1 General Survey Results

The survey allowed people to enter in any number they wanted for the number of times they visit San Francisco parks, either per week or per month. Several of the numbers entered were unrealistically high (i.e. in the hundreds or thousands), and those outliers were removed from later results. However, to begin understanding the data, Table 37 shows the averages including those outliers.

TABLE 37: RAW SURVEY RESULTS

	When starting from your home, how often do you visit any park in San Francisco?		When starting from your work, how often do you visit any park in San Francisco?	
	times per week	times per month	times per week	times per month

¹⁵⁵ LEHD 2015

I live and work in San Francisco	4.72	15.38	3.72	11.48
I live in San Francisco	5.08	10.00	n/a	n/a
I work in San Francisco	n/a	n/a	3.51	3.00

After removing the outliers and changing the per week results to their per month equivalents, Table 38 shows the survey averages.

TABLE 38: NORMALIZED SURVEY RESULTS

	When starting from your home, how often do you visit any park in San Francisco?	When starting from your work, how often do you visit any park in San Francisco?
	times per month	times per month
I live and work in San Francisco	7.74	7.08
I live in San Francisco	6.51	n/a
I work in San Francisco	n/a	4.40

Table 39 shows the weighted averages, based on the number of survey respondents who live and work in San Francisco, the number who just live in the city, and the number who just work in the city.

TABLE 39: WEIGHTED AVERAGES

	Usage starting from home	Usage starting from work
Park usage per month	7.5	6.7

11.5.3.2 Respondent Demographics

Basic demographic information was collected from most survey respondents in addition to park usage information. This was collected as a statistical safeguard in case there were not enough surveys to reach statistical significance collected under allotted survey days, so that insufficient results could be weighted. However, since enough surveys from both workers and residents were collected, this information was not used in calculating the results.

The tables in this section go through and compare the demographics of survey respondents to the demographics of all San Francisco residents. The demographic section of the survey was optional, so these tables do not represent the full spectrum of people who took the survey. Furthermore, the survey includes respondents who do not live in San Francisco, a group whose demographics are not represented in the comparison data. Information about San Francisco residents comes from the American Community Survey 5-year estimates (2013-2017), usually represented as “ACS 2017.”

TABLE 40: SURVEYS BY AGE GROUP

Age Group	Number of Responses	%	ACS 2017
Under 18	3.00	1%	13%

18-24	26.00	6%	8%
25-34	151.00	36%	23%
35-44	111.00	26%	16%
45-54	49.00	12%	14%
55-64	45.00	11%	12%
65+	36.00	9%	15%

TABLE 41: SURVEYS BY RACIAL AND ETHNIC GROUP

Race/Ethnicity	Number of Responses	%	ACS 2017
White	230	54.0%	40.8%
Black/African American	28	6.6%	5.1%
Asian/Pacific Islander	111	26.1%	34.2%
Hispanic/Latino	48	11.3%	15.3%
Other	9	2.1%	4.6%

TABLE 42: SURVEYS BY HOUSEHOLD MAKEUP

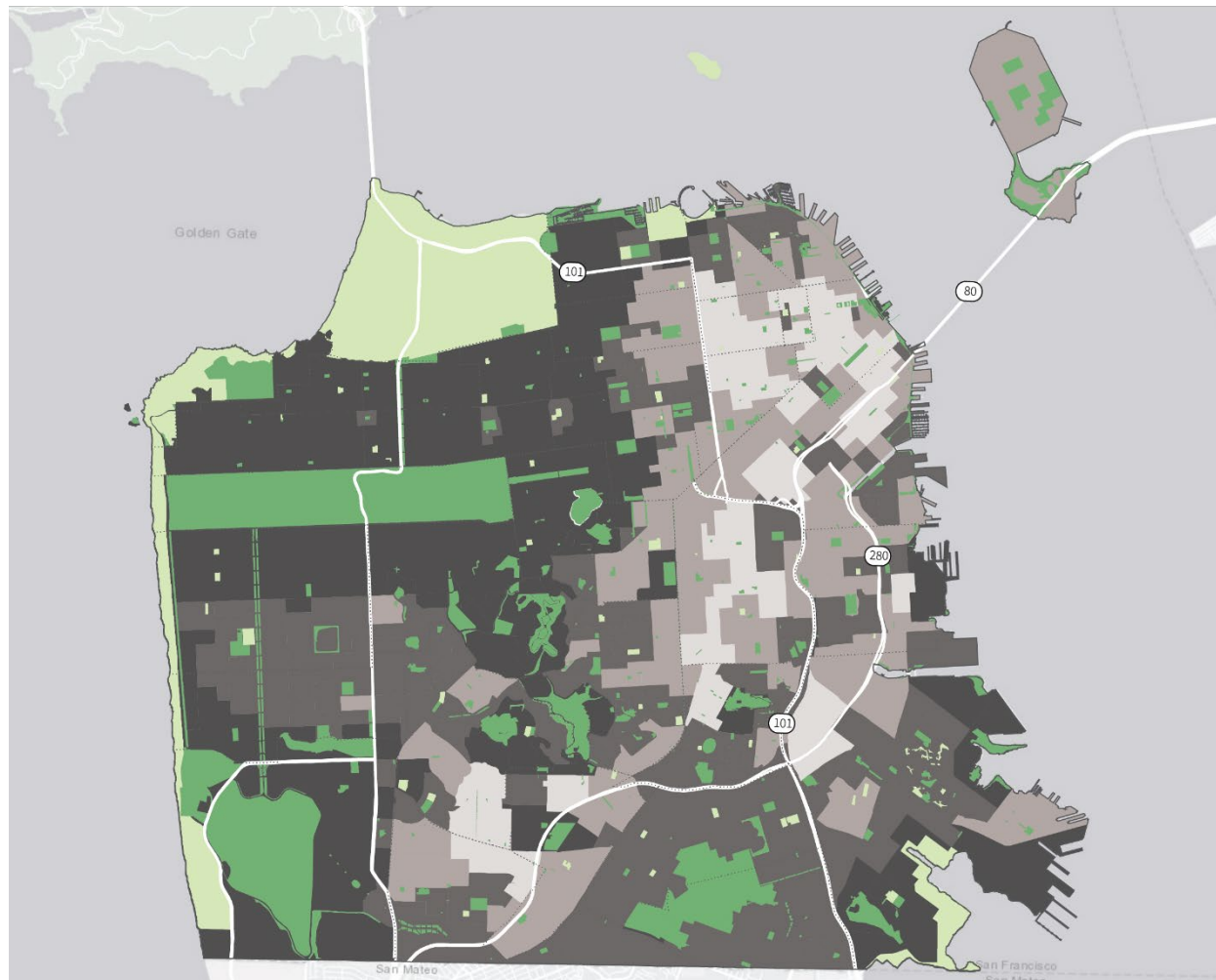
Household Category	Number of Responses	%
Single/roommate household with no children under 18 (i.e. non-family household with no children)	159	39.0%
Family household with no children under 18 (i.e. related household with no children)	132	32.4%
Family household with children under 18 (i.e. related household with children)	104	25.5%
Single/roommate household with children under 18 (i.e. non-family household with children)	13	3.2%

Table 42 does not have an ACS 2017 column because these exact categories are not replicated in the American Community Survey. However, in broader terms:

- 29% of survey respondents live in households with children, whereas only 19% of households living in San Francisco contain children (ACS 2017).
- 58% of survey respondents live in family households, whereas only 47% of households living in San Francisco are families (ACS 2017).

11.6 Acres of Open Space per 1,000 Adjacent SPU

FIGURE 36: DISTRIBUTION OF OPEN SPACE PER CAPITA



Citywide Parks Distribution

- Lower quartile (< %25, less than 0.12 acres of open space per 1,000 SPU)
- Median quartile (%25 - %50, 0.12 - 0.48 acres of open space per 1,000 SPU)
- Median quartile (%50 - %75, 0.48 - 4.08 acres of open space per 1,000 SPU)
- Upper quartile (> %75, greater than 4.08 acres of open space per 1,000 SPU)

*Each Traffic Analysis Zone (TAZ) was assigned to its nearest city-owned park of at least a quarter acre in size. Then, for each park, the total acreage was divided by the total population (in thousands) of the TAZs assigned to it. The quartiles were calculated based on the Service Population Units in each Traffic Analysis Zone (TAZ).



LEGEND

- County Boundary
- Highways
- Neighborhoods

Open Space by Ownership

- City-owned open space
- Non-city owned open space

11.7 Child Care Demand Calculations

TABLE 43: INFANT/TODDLER CARE DEMAND CALCULATION DETAILS

Variable Name	Data Point	Value	Source
Total Resident-Children			
A	% of SF children under 5 that are 0-2	64%	2017 ACS 5-Year Estimates, B09001
B	Resident children under 5	44,955	SF Planning
C	Resident children 0-2	28,717	A * B
D.1	Total SF Residents (ACS)	864,263	2017 ACS 5-Year Estimates, S0101
Resident-Children (0-2) Needing Care Outside of San Francisco			
D.2	Total Employed SF Residents	504,914	2017 ACS 5-Year Estimates, DP03
D	% of SF Residents who are employed	58%	D.2 / D.1
E	SF Residents	908,336	SF Planning
F	Employed SF Residents	530,662	D * E
G	% of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
H	Employed SF Residents working outside SF	125,767	F * G
I	% of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ¹⁵⁶
J	Resident children needing child care outside SF (assumes one child per working adult)	6,288	H * I
Resident-Children (0-2) Needing Care in San Francisco			
K	Resident children 0-2 needing child care outside SF	4,017	J * A
L	Remaining resident children (0-2) potentially needing child care	24,700	C - K
M	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
N	Resident children (0-2) with working parents	17,622	L * M
O	% of children (0-2) with working parents needing licensed care	37%	2014 San Francisco Nexus Study ¹⁵⁷
P	Resident children (0-2) needing licensed care in SF	6,520	N * O
Non-Resident Children (0-2) Needing Care in San Francisco			
Q.1	Total jobs in SF (LEHD)	642,375	LEHD 2015

¹⁵⁶ Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); this study assumes one child needing care per employee).

¹⁵⁷ Based on the 2014 San Francisco Nexus Study, 37% of children (0-2) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

Q.2	Total Employees that live elsewhere but work in SF	387,117	LEHD 2015
Q	% of jobs filled by non-SF residents	60%	Q.2 / Q.1
R	SF Jobs	768,360	SF Planning
S	Employees that live elsewhere	463,040	Q * R
T	Children of employees from elsewhere needing licensed child care in SF	23,152	S * I
U	% of children needing care who are ages 0-2 in general	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/ toddlers or preschoolers.
V	Non-resident employees' children (0-2) needing care in SF	11,576	T * U
Total Children (0-2) Needing Care in San Francisco			
W	Total children (0-2) needing care in SF	18,096	V + P
Existing Supply			
X	Current available spaces for children aged 0-2	3,515	SFHSA; Child Care Needs Assessment (2017)
Existing LOS			
Y	% of demand met by existing slots	19%	X / W

TABLE 44: PRESCHOOL CARE DEMAND CALCULATION DETAILS

Variable Name	Data Point	Value	Source
Total Resident-Children			
A	% of SF children under 5 that are 3-4	36%	2017 ACS 5-Year Estimates, B09001
B	Resident children under 5	44,955	SF Planning
C	Resident children 3-4	16,238	A * B
D.1	Total SF Residents (ACS)	864,263	2017 ACS 5-Year Estimates, S0101
Resident-Children (3-4) Needing Care Outside of San Francisco			
D.2	Total Employed SF Residents	504,914	2017 ACS 5-Year Estimates, DP03
D	% of SF Residents who are employed	58%	D.2 / D.1
E	SF Residents	908,336	SF Planning
F	Employed SF Residents	530,662	D * E
G	% of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
H	Employed SF Residents working outside SF	125,767	F * G
I	% of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ¹⁵⁸
J	Resident children needing child care outside SF (assumes one child per working adult)	6,288	H * I
Resident-Children (3-4) Needing Care in San Francisco			
K	Resident children 3-4 needing child care outside SF	2,271	J * A
L	Remaining resident children (3-4) potentially needing child care	13,966	C - K
M	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
N	Resident children (3-4) with working parents	9,964	L * M
O	% of children (3-4) with working parents needing licensed care	100%	2014 San Francisco Nexus Study ¹⁵⁹
P	Resident children (3-4) needing licensed care in SF	9,964	N * O
Non-Resident Children (3-4) Needing Care in San Francisco			

¹⁵⁸ Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); this study assumes one child needing care per employee).

¹⁵⁹ Based on the 2014 San Francisco Nexus Study, 100% of children (3-5) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

Q.1	Total jobs in SF (LEHD)	642,375	LEHD 2015
Q.2	Total Employees that live elsewhere but work in SF	387,117	LEHD 2015
Q	% of jobs filled by non-SF residents	60%	Q.2 / Q.1
R	SF Jobs	768,360	SF Planning
S	Employees that live elsewhere	463,040	Q * R
T	Children of employees from elsewhere needing licensed child care in SF	23,152	S * I
U	% of children needing care who are ages 3-4 in general	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers.
V	Non-resident employees' children (3-4) needing care in SF	11,576	T * U
Total Children (3-4) Needing Care in San Francisco			
W	Total children (3-4) needing care in SF	21,540	V + P
Existing Supply			
X	Current available spaces for children aged 3-4	18,971	SFHSA; Child care Needs Assessment (2017)
Existing LOS			
Y	% of demand met by existing slots	88%	X / W

TABLE 45: 2025 INFANT/TODDLER CARE DEMAND PROJECTION

Variable Name	Data Point	Value	Source
Total Resident-Children			
A	% of SF children under 5 that are 0-2	64%	2017 ACS 5-Year Estimates, B09001
B	Resident children under 5	48,597	Estimated on a per capita basis using population growth projections from SF Planning
C	Resident children 0-2	31,044	A * B
D.1	Total SF Residents (ACS)	864,263	2017 ACS 5-Year Estimates, S0101
Resident-Children (0-2) Needing Care Outside of San Francisco			
D.2	Total Employed SF Residents	504,914	2017 ACS 5-Year Estimates, DP03
D	% of SF Residents who are employed	58%	D.2 / D.1
E	SF Residents	981,920	SF Planning
F	Employed SF Residents	573,651	D * E
G	% of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
H	Employed SF Residents working outside SF	135,955	F * G
I	% of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ¹⁶⁰
J	Resident children needing child care outside SF (assumes one child per working adult)	6,798	H * I
Resident-Children (0-2) Needing Care in San Francisco			
K	Resident children 0-2 needing child care outside SF	4,342	J * A
L	Remaining resident children (0-2) potentially needing child care	26,701	C - K
M	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
N	Resident children (0-2) with working parents	19,050	L * M
O	% of children (0-2) with working parents needing licensed care	37%	2014 San Francisco Nexus Study ¹⁶¹
P	Resident children (0-2) needing licensed care in SF	7,048	N * O

¹⁶⁰ Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); this study assumes one child needing care per employee).

¹⁶¹ Based on the 2014 San Francisco Nexus Study, 37% of children (0-2) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

Non-Resident Children (0-2) Needing Care in San Francisco			
Q.1	Total jobs in SF (LEHD)	642,375	LEHD 2015
Q.2	Total Employees that live elsewhere but work in SF	387,117	LEHD 2015
Q	% of jobs filled by non-SF residents	60%	Q.2 / Q.1
R	SF Jobs	823,505	SF Planning
S	Employees that live elsewhere	496,272	Q * R
T	Children of employees from elsewhere needing licensed child care in SF	24,814	S * I
U	% of children needing care who are ages 0-2 in general	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers.
V	Non-resident employees' children (0-2) needing care in SF	12,407	T * U
Total Children (0-2) Needing Care in San Francisco			
W	Total children (0-2) needing care in SF	19,455	V + P

TABLE 46: 2025 PRESCHOOL CARE DEMAND PROJECTIONS

Variable Name	Data Point	Value	Source
Total Resident-Children			
A	% of SF children under 5 that are 3-4	36%	2017 ACS 5-Year Estimates, B09001
B	Resident children under 5	48,597	Estimated on a per capita basis using population growth projections from SF Planning
C	Resident children 3-4	17,553	A * B
D.1	Total SF Residents (ACS)	864,263	2017 ACS 5-Year Estimates, S0101
Resident-Children (3-4) Needing Care Outside of San Francisco			
D.2	Total Employed SF Residents	504,914	2017 ACS 5-Year Estimates, DP03
D	% of SF Residents who are employed	58%	D.2 / D.1
E	SF Residents	981,920	SF Planning
F	Employed SF Residents	573,651	D * E
G	% of Employed Residents working outside SF	24%	2017 ACS 5-Year Estimates, S0801
H	Employed SF Residents working outside SF	135,955	F * G
I	% of Workers who seek child care where they work rather than where they live	5%	2014 San Francisco Nexus Study ¹⁶²
J	Resident children needing child care outside SF (assumes one child per working adult)	6,798	H * I
Resident-Children (3-4) Needing Care in San Francisco			
K	Resident children 3-4 needing child care outside SF	2,455	J * A
L	Remaining resident children (3-4) potentially needing child care	15,098	C - K
M	Percent of young children in households with all working parents	71%	2017 ACS 5-Year Estimates, B23008
N	Resident children (3-4) with working parents	10,771	L * M
O	% of children (3-4) with working parents needing licensed care	100%	2014 San Francisco Nexus Study ¹⁶³
P	Resident children (3-4) needing licensed care in SF	10,771	N * O
Non-Resident Children (3-4) Needing Care in San Francisco			

¹⁶² Based on the 2014 San Francisco Nexus Study, South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); this study assumes one child needing care per employee).

¹⁶³ Based on the 2014 San Francisco Nexus Study, 100% of children (3-5) with working parents need licensed care (as cited in Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates, which is based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP). DCYP refers to the San Francisco Department of Children, Youth and Their Families (DCYF).

Q.1	Total jobs in SF (LEHD)	642,375	LEHD 2015
Q.2	Total Employees that live elsewhere but work in SF	387,117	LEHD 2015
Q	% of jobs filled by non-SF residents	60%	Q.2 / Q.1
R	SF Jobs	823,505	SF Planning
S	Employees that live elsewhere	496,272	Q * R
T	Children of employees from elsewhere needing licensed child care in SF	24,814	S * I
U	% of children needing care who are ages 3-4 in general	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers.
V	Non-resident employees' children (3-4) needing care in SF	12,407	T * U
Total Children (3-4) Needing Care in San Francisco			
W	Total children (3-4) needing care in SF	23,178	V + P

San Francisco Infrastructure Level of Service Analysis

March 2014



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List of Acronyms

AB	Assembly Bill
BSP	San Francisco Better Streets Plan (2010)
CPAC	Childcare Planning and Advisory Council
DPH	Department of Public Health
DPW	Department of Public Works
FCCH	Family license care home
LOS	Level(s) of service
Muni	San Francisco Municipal Railway
NRPA	National Recreation and Park Association
OECE	Office of Early Care and Education
PEQI	Pedestrian Environmental Quality Index
PFA	Preschool for All
ROSE	Recreation and Open Space Element
RPD	San Francisco Recreation and Parks Department
SFMTA	San Francisco Municipal Transportation Agency
SFPUC	San Francisco Public Utilities Commission
SFUSD	San Francisco Unified School District

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1. EXECUTIVE SUMMARY

CAPITAL IMPROVEMENT PROGRAM PRIORITIZATION

Recognizing the critical role infrastructure plays in creating a thriving economy and vibrant communities, the City of San Francisco Planning Department and the Capital Planning Program commissioned this study to continue the City's efforts to strategically address its infrastructure needs. In recent years the City has moved forward on a number of initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally-constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year.

This study supports these efforts by quantifying the current level of infrastructure services within the city and by developing target levels for those services based on agency directives. The study also recognizes the City has limited resources to fund and maintain infrastructure, and needs to set realistic infrastructure provision goals. The results of this report are intended to help inform the City's capital planning process and future infrastructure decisions. As part of this process, the following five infrastructure categories have been reviewed:

1. Recreation and open space;
2. Childcare;
3. Streetscape and pedestrian infrastructure;
4. Bicycle infrastructure; and
5. Transit infrastructure.

For each of these categories, this study evaluates (1) the existing level of service (LOS), (2) an aspirational, long-term LOS standard, and (3) a realistic, short-term (2030¹) LOS standard. Each of these LOS is described in greater detail below.

PROJECT OBJECTIVES

The infrastructure LOS review and analysis study has four clear objectives:

- To evaluate existing levels of infrastructure provision and distribution throughout the city;

¹ In most cases the timeframe of analysis is from the current year (2013) until 2030. Two exceptions are bicycle infrastructure and childcare, for which the timeframe of analysis extends until 2020. This selection of a shorter timeframe for these two infrastructure categories is discussed in more detail in the relevant infrastructure chapter.

-
- To recommend aspirational and attainable LOS targets for the city considering fiscal, policy, physical, and social constraints;
 - To use existing LOS provisions along with the developed LOS standards as a tool to understand potential opportunities for capital investment; and
 - To provide guidelines for evaluating capital projects in terms of citywide standards.

STANDARDS-BASED METRICS

The LOS metrics developed and evaluated in this study are, where possible, standards-based metrics. Standards-based metrics are LOS metrics that measure infrastructure provision against some measure of population – typically either population (residents) or service population.² An example of a standard-based metric would be: 2 miles of street per 1,000 residents. The LOS metrics for recreation and open space, pedestrian and streetscape infrastructure, and childcare were all developed as standards-based metrics.

The benefits of using standard-based metrics include being able to:

- Set clear City targets for infrastructure provision and capital planning;
- Measure infrastructure distribution across the city's neighborhoods, thereby identifying areas of need;
- Allow infrastructure provisions to be benchmarked against past/future provision;
- Inform future planning and large-scale redevelopment decisions;
- Develop a common language and tool for agency policies and various infrastructure types;
- Measure and track the City's infrastructure provision in relation to other comparable cities;
- Provide a visual tool to help prioritize capital investment; and
- Streamline the development impact fee nexus update process.

Given constraints associated with some infrastructure categories, not all metrics within this study are standards-based. Bicycle infrastructure and transit infrastructure metrics are both structured in alternate ways, relying on different measures of provision that are not directly correlated to population or service population. These two infrastructure categories take into account future capital needs and assign a share of those needs to development.

DEVELOPMENT PROCESS

Metrics were developed based on existing City policies, department consultation, and an overview of best practices from comparable cities throughout North America.³ The key finding from the best practices review is that, while infrastructure metrics – particularly standards-based metrics – are rare among built-out cities, most

² Service population is a unit of measure that encompasses all local infrastructure users, including residents and employees. Residents are assigned one point, while employees are typically assigned 0.5 points to reflect their lower level of usage. For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

³ Please see the Appendix – Citywide and Neighborhood Policy Documents for a list of policies and reports that were researched in the evaluation. Also, the Appendix – Case Study Tables provides an evaluation of infrastructure provision of San Francisco compared to cities surveyed.

cities surveyed expressed significant interest in developing such metrics as a way to simplify and standardize provision measurement and distribution.⁴

To develop LOS targets, the first step was to determine quantitative metrics for each infrastructure type. The current provision, using this quantitative metric, was mapped to understand distribution across neighborhoods. Next, the long-term aspirational goals were identified based on policy research and department input. The long-term goals reflect policy goals that may become achievable over the long-term under alternate financing and social landscapes – i.e. given fewer constraints, financial and otherwise. After quantifying these two conditions, the current LOS and the long-term aspirational goal, short-term targets were developed to reflect infrastructure development objectives that are more feasible given fiscal and social constraints. The short-term (2030 – or 2020, in the case of childcare and bicycle infrastructure) targets were developed in consultation with responsible departments, and reflect a reasonable estimate of what the City intends to achieve based on prevailing fiscal conditions in San Francisco for both capital and operations and maintenance costs. In some instances, the short-term targets reflect a preservation of the current LOS (childcare, recreation and open space), while for other infrastructure categories, the short-term targets reflect reasonable development plans (bicycle infrastructure, streetscape and pedestrian infrastructure).

In addition to supporting capital planning efforts, the short-term targets help inform future development impact fees: feasible short-term targets help set reasonable fee levels. By contrast, basing development impact fees on the ambitious infrastructure provision of the long-term aspirational goals would create an undue burden on new development that the City is unable to match.

Finally, it is important to note that these goals and targets do not preordain funding to specific locations but rather set up a systematic approach to help understand locations of potential infrastructure investment and determine potentially appropriate infrastructure projects to consider. Individual projects will be guided by a number of other factors including departmental guidance, community support, fiscal feasibility, and so on.

FINDINGS

Table 1 summarizes the current LOS provision, the long-term aspirational LOS goals, and the short-term LOS targets for the five infrastructure categories. The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure. A list of guiding policy documents that were used to develop the LOS metrics presented in this report are summarized in Table 2.

Because few cities have well-defined LOS targets, it can be difficult to compare San Francisco's performance against comparable cities. However, where it is possible to do so, San Francisco is clearly on par or better in terms of infrastructure provision. For recreation and open space, San Francisco, by various measures, provides 1.6 to 3.5 *more* acres of park per 1,000 residents than New York City. San Francisco also performs well in park provision in terms of access. Almost all residents in San Francisco live within a half mile of a park or recreation facility.

In addition to comparing well against other cities, San Francisco has also done a good job of meeting the provision goals it sets for itself. For bicycle infrastructure, the city has also completed all bicycle lane






⁴ Many California cities that continue to expand into greenfield /undeveloped areas have infrastructure level of services standards in their general plans to inform privately developed master plans, as well as to set a development fee program that may be above their existing citywide provision.

improvements put forth in *the 2009 Bicycle Master Plan*. Such commitment to targets has helped San Francisco maintain its high levels of infrastructure provision and service.

NEXT STEPS / RECOMMENDATIONS FOR FURTHER STUDY

There are numerous possible ways to measure the provision of a given infrastructure type. The proposed metrics for each infrastructure type are constrained by the availability of data for each infrastructure type and by the availability of a clear understanding of costs associated with expanding capacity. Each section recommends additional data that could further refine and enhance the utility of these metrics.











Table 1. Summary of LOS Metrics for Five Infrastructure Categories

Facility Type	LOS Metric	Current Citywide Average	Long-term Aspiration	Short-term Target	Projected Citywide Shortfall ¹
	Recreation and Open Space	LOS	LOS	LOS	2030
1	Acres of City-Owned Open Space / 1,000 Service Population Units	4.0	4.0	4.0	566 acres
1.1	<i>Acres of Open Space / 1,000 SPU</i>		3.5	3.5	55 acres
1.2	<i>Acres of Improved Open Space / 1,000 SPU</i>		0.5	0.5	511 acres
2	Acres / 1,000 Adjacent Residents	0.7	0.5	0.5	N/A
	Childcare	LOS	LOS	LOS	2020
1	% of Infant and Toddler (0-2) Childcare Demand Served by Available Licensed Slots	37%	100%	37%	2,529 spaces
2	% of Preschool Age Children (3-5) Childcare Demand Served by Available Licensed Slots	99.6%	100%	99.6%	2,256 spaces
	Streetscape and Pedestrian Infrastructure	LOS	LOS	LOS	2030
1	Square feet of sidewalk / improved sidewalk space per service population unit (SPU)	103 square feet of sidewalk / SPU	88 square feet of <i>improved</i> sidewalk / SPU	88 square feet of <i>improved</i> sidewalk / SPU	N/A
	Bicycle Infrastructure	Infrastructure	Infrastructure	Infrastructure	2020
1	Number of Premium (LTS 1, 2) Network Miles	51 miles	251 miles, 100%	61 miles	10 miles
2	Number of Upgraded Intersections	3 intersections	203 intersections	13 intersections	10 intersections
3	Number of Bicycle Parking Spaces	8,800 spaces	58,000 spaces	12,800 spaces	4,000 spaces
4	Bicycle Share Program (Bikes + Accompanying Share Station)	0	300 stations 3,000 bicycles	50 stations 500 bicycles	50 stations 500 bicycles
	Transit Infrastructure	LOS	LOS	LOS	2030
1	Transit Crowding (% of Boardings Relative to Capacity)	N/A	N/A	85%	N/A
2	Transit Travel Time (Average Minutes per Trip)	33.72	N/A	33.60	N/A

Source: AECOM, 2013

1. Projected citywide shortfall is calculated by applying the short-term target LOS to the 2030 service population (or 2020 service population, in the case of childcare and bicycle infrastructure).

Table 2. Summary of Guiding and Reference Documents

Facility Type	Policy Document	Issuing Department	Year	Document Status
	Recreation and Open Space Element (ROSE)	Planning Department	June 2011	Draft report
	Acquisition Policy	RPD	Aug. 2011	Adopted
	San Francisco Child Care Needs Assessment	San Francisco Child Care Planning and Advisory Council (CPAC)	2007	Final report
	San Francisco Citywide Plan for Early Care and Education and Out of School Time		May 2012	Final report
	San Francisco Better Streets Plan (BSP)	Planning Department	Dec. 2010	Adopted
	Financing San Francisco's Urban Forest	DPW, Planning Department	Oct. 2012	Final report
	WalkFirst	DPH, SFMTA, Planning Department, San Francisco County Transportation Authority	Oct. 2011	Draft policy to be included in update of Transportation Element of the General Plan
	San Francisco Bicycle Master Plan	SFMTA	June 2009	Adopted
	SFMTA Bicycle Strategy	SFMTA	Dec. 2012	Internal policy document; basis for 2014 CIP project list (pending adoption of CIP project list in April 2014)
	San Francisco Transportation Sustainability Fee Nexus Study	SFMTA	Mar. 2012	Draft report

Source: AECOM, 2013

2. INTRODUCTION

In 2013, AECOM was retained by the San Francisco Planning Department and the San Francisco Capital Planning Program to conduct a review of the City and County of San Francisco's (the City's) infrastructure provision. The fundamental questions analyzed were:

1. What are the existing citywide levels of service (LOS) for the reviewed infrastructure categories?
2. What infrastructure LOS standards does the City aspire to if fiscally unconstrained?
3. What infrastructure LOS standards should the City realistically target?
4. Given LOS standards, for each infrastructure element, what is the anticipated citywide shortfall by 2030, based on population growth?

Specifically, this report provides insights into determining LOS targets for five infrastructure categories: (1) recreation and open space; (2) childcare; (3) streetscape and pedestrian infrastructure; (4) bicycle infrastructure; and (5) transit infrastructure. To determine LOS metrics and standards, this report relied on existing City plans and reports related to the five infrastructure elements. This report is intended to inform infrastructure provision in the city to address existing and future shortfalls.

The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

PROJECT OBJECTIVES

The infrastructure LOS review and analysis portion of the project has four clear objectives:

- To evaluate existing levels of infrastructure provision and distribution throughout the city;
- To develop and propose aspirational and attainable LOS targets for the city;
- To use the existing provision along with the developed level of service standards as a capital planning tool; and
- To provide guidelines for evaluating capital projects in terms of citywide standards.

While this report does not cover the estimation of new development's share of infrastructure provision, it does provide the foundation for the Citywide Nexus Analysis.⁵

⁵ Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014).

CAPITAL IMPROVEMENT PROGRAM PRIORITIZATION

Recognizing the critical role infrastructure plays in creating a thriving economy and vibrant communities, the City commissioned this study to continue its efforts to strategically address its infrastructure needs. In recent years the City has moved forward on a number of initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally-constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year. This study, in part, will quantify the current level of infrastructure services within the city and develop target levels for those services. The results of this report will be incorporated into the City's capital planning process and help inform future infrastructure decisions.

INFRASTRUCTURE TYPES EVALUATED

The five infrastructure categories evaluated as part of this study include:



Recreation and open space



Childcare



Streetscape and pedestrian infrastructure



Transit Infrastructure



Bicycle infrastructure

These infrastructure categories reflect the majority of the current impact fees that are charged at either the neighborhood or citywide level. As such, the City wants to frame provision of these categories in a common language that allows for easy comparison across categories and across the city.

Recreation and Open Space

Recreation and open space encompasses all recreation facilities within the city limits including park land and facilities owned by the San Francisco Recreation and Parks Department (RPD), as well as state and federal park land. This study will focus on recreation and open space within the city limits provided by the City – i.e. recreation and open space owned by RPD, the Department of Public Works (DPW), the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency within San Francisco. The more than 200 parks range in size from less than one acre to over 1,000 acres (Golden Gate Park), and support all kinds of recreational uses, from organized team sports and athletics, to gardening, to sunbathing and picnicking. Recreation and open space includes passive lawn space and forested areas for

“general enjoyment of outdoors”⁶, courses and courts, playgrounds, and bike, pedestrian, and equestrian paths. By providing and maintaining recreation and open space, RPD aims to increase recreation opportunities, contribute to the city’s environmental health, and encourage the health and well-being of San Francisco’s residents and visitors.

Childcare

Childcare, in this study, refers to childcare licensed by the City. Licensed childcare facilities are classified as either licensed family childcare home (FCCH) facilities or center-based facilities, both of which can provide infant, toddler, and preschool care. The Office of Early Care and Education (OECE) keeps records of all existing licensed facilities and the total number of spaces available in each category. As well as licensing facilities, the City currently directs public funds for facilities and operations, and contributes municipal funds and impact fees to support childcare subsidies. While the City does not own or operate childcare facilities, the San Francisco Childcare Planning and Advisory Council (CPAC) works to ensure that a sufficient number of facilities are provided to meet demand. The San Francisco CPAC has identified childcare provision for infants and toddlers (ages 0-2) and preschoolers (ages 3-5) as important goals.

Streetscape and pedestrian infrastructure

Streetscape and pedestrian infrastructure encompasses a wide range of pedestrian right-of-way facilities, from simple paved sidewalks to “complete streets”⁷ with sidewalks, street trees, lighting, benches, bulb-outs, signalized crosswalks, and traffic calming measures. According to the City’s guiding streetscape and pedestrian infrastructure policy document (San Francisco’s Better Streets Plan), the City aims to provide all types of streetscape and pedestrian infrastructure, from the basic to the most furnished, depending on the street type, the site conditions, traffic and built environment constraints, and so on. Although the streetscape infrastructure is not uniform across San Francisco, the Better Streets Plan (BSP) intends for most sidewalks to include, in addition to pavement, at least some streetscape elements such as lighting, bulb-outs, or street trees. Streetscape and pedestrian infrastructure, as a determinant of walking within the city, plays an important role in the City’s transportation goals, health and safety promotion, and environmental objectives.

Bicycle Infrastructure

Bicycle infrastructure refers primarily to the city’s bicycle network. The network consists of a range of bicycle route levels (LTS 1 – LTS 4) that denote rider comfort along a route. These bikeway types reflect varying levels of separation from vehicle traffic and street conditions. Because of the nature of use and location of bike facilities, the San Francisco Municipal Transportation Agency (SFMTA) works closely with the RPD as well as the Department of Public Works (DPW) on the planning and maintenance of bicycle infrastructure. Bicycle infrastructure is often planned in conjunction with SFMTA’s other transportation infrastructure. Bicycle infrastructure, as a determinant of biking within the city, plays an important role in the City’s transportation goals, health and safety promotion, and environmental objectives.

⁶ United States. San Francisco Recreation and Park Department. “Parks Acquisition Policy.” August 2011. Print.

⁷ Streets which “are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders.” Metropolitan Transportation Commission, “MTC One Bay Area Grant: Complete Streets Policy Development Workshop.” 16 October 2012. Section 2.4.13 of San Francisco’s Public Works Code outlines San Francisco’s complete streets policy, including the construction of transit, bicycle, stormwater, and pedestrian improvements. Pedestrian environment improvements include sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements listed as defined in the Better Streets Plan.

Transit Infrastructure

Transit infrastructure refers to San Francisco's network of public buses, light rail, streetcars, and cable cars run by the San Francisco Municipal Transportation Agency (SFMTA). The system provides constant service year round and works to balance system access with efficiency. Transit infrastructure plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives.

APPROACH / REPORT ORGANIZATION

The work summarized in this report is organized into chapters (one per infrastructure category), with a preceding chapter (Chapter 3) summarizing the process AECOM undertook to establish an LOS, and a preceding chapter (Chapter 12) briefly discussing project prioritization and financing.

Each infrastructure chapter is organized as follows:

- Each chapter opens with a discussion of background information about the infrastructure category and typical measures for infrastructure provision. A review of the provision of the infrastructure category within San Francisco is included, with reference to provision in case study cities.
- Metrics for that infrastructure within San Francisco are proposed. San Francisco's current provision is quantified, as per the proposed metric. An aspirational goal and a short-term target are identified, as per the proposed metric.
- San Francisco's future (2030⁸) infrastructure shortfall is assessed, assuming the current level of infrastructure is maintained while population and employment increases.

⁸ In most cases the timeframe of analysis is from the current year (2013) until 2030. Two exceptions are bicycle infrastructure and childcare, for which the timeframe of analysis extends until 2020. This selection of a shorter timeframe for these two infrastructure categories is discussed in more detail in the relevant infrastructure chapter.

3. EXISTING AND PROPOSED LEVELS OF SERVICE

The following section summarizes the process AECOM undertook to establish LOS, including policy review, agency stakeholder interviews, and case study research. Initial findings are summarized.

LOS METRICS DEVELOPMENT AND EVALUATION

The process of measuring LOS provision for each infrastructure category, developing aspirational goals and realistic targets, and preparing an infrastructure gap analysis has been the same for each infrastructure type. A brief description of the process and key inputs in each step of the process are described below. Infrastructure-specific approaches and results are included in more detail in the proceeding infrastructure-specific chapters.

Again, it is important to note that the metrics and targets developed as part of this process are consistent with current City plans and are intended to be applied as citywide guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

LOS Metric Development

In order to develop appropriate LOS metrics for San Francisco's infrastructure facilities, AECOM relied on three key inputs:

1. Existing citywide and neighborhood policy documents;
2. Interviews and consultation with San Francisco agency stakeholders; and
3. Best practice reviews of eight cities across North America.

San Francisco Policy Review

For many of the infrastructure categories, a substantial amount of work has been done by various agencies to define LOS metrics and targets for San Francisco's infrastructure. To build on existing work, citywide and neighborhood-specific planning and policy documents were reviewed and incorporated into this report's analysis. Specific findings from citywide policy documents are included in greater detail in individual infrastructure chapters. A full list of the policies reviewed is included in the Appendix.

At the neighborhood level, few plans address concrete LOS targets, but most provide qualitative or design guidance on infrastructure improvements. In addition to design input, many neighborhood plans and nexus studies, such as the *Market & Octavia Community Improvements Program*, the *West SOMA Nexus Study*, and

the *Transbay Nexus Study* provide project prioritization based on either internal assessment of need, the San Francisco General Plan, or other infrastructure-specific plans such as San Francisco's *Short Range Transit Plan* and the *Childcare Needs Assessment*. Direction on recreation and open space LOS and targets are most common, with less neighborhood-specific direction provided on bicycle infrastructure or streetscape and pedestrian infrastructure. Although it is possible for neighborhood plans or nexus studies to define their own LOS targets, in most instances plans and nexus analyses take direction from various policy decisions made at the citywide level.

Agency Stakeholder Interviews

Interviews with City agency stakeholders were a critical part of the LOS metric and target development. Agency representatives were selected by the project client, and additional stakeholders were contacted as needed. The project team met with agency representatives for all five infrastructure categories evaluated in addition to Planning Department and Capital Planning Program representatives.

A full list of the agencies and stakeholders consulted is included in the Appendix.

Best Practices – Case Study Review

Eight cities across North America were reviewed to evaluate how other comparable cities are measuring LOS, applying LOS metrics to their infrastructure provision, and using LOS standards to prioritize investment. The selected cities are comparable to San Francisco in that they are either: (1) built-out cities that rely on urban infill for growth (or have strong urban growth boundaries)⁹, or (2) city-county municipalities. In addition, two cities from California were reviewed to understand how they address the state-specific political and economic challenges. The case study cities reviewed are:

1. Boston, Massachusetts (built-out city)
2. Miami, Florida (city-county)
3. Minneapolis, Minnesota (city-county)
4. Philadelphia, Pennsylvania (built-out city, city-county)
5. Portland, Oregon (built-out city)
6. San Diego, California (California)
7. San Jose, California (California)
8. Vancouver, Canada (built-out city)

Through policy review and interviews with city officials, it is clear that, while many cities quantify infrastructure provision for various infrastructure categories, the practice of creating or applying developed LOS metrics is a relatively uncommon one.

Key findings of the case study review include:

LOS metrics are uncommon practice - While many cities quantify infrastructure provision for various facilities, the practice of creating or applying developed LOS metrics was uncommon in the cities surveyed.

⁹ Note that the analysis specifically considered built-out cities because the provision of additional infrastructure is very different than in cities still expanding their boundaries. Expanding cities can set specific master planning guidelines and dictate levels of service on new development; and, because these projects are establishing new urban areas, there is a much simpler nexus between the infrastructure requirement and the development.

Additionally, while some facilities, such as recreation and open space have well-accepted public metrics (e.g. acres of park per 1,000 residents), others, such as childcare and streetscape and pedestrian infrastructure are rarely expressed in quantified levels of service.¹⁰ Many of the case study cities are large, built-out cities that do not have large master plan areas where citywide guidance is required for infrastructure provision. Some Californian cities set park and right-of-way standards for large new developments, especially where a comprehensive development fee program is in place, but this practice is less prevalent among cities where the predominant form of development is infill.

In Portland's *2012 Citywide Assets Report*, the City identified establishing LOS as one of its priorities. Several other interviewed cities expressed a sincere interest in learning more about San Francisco's LOS development. Because LOS metrics and targets are not necessarily a common practice for all infrastructure categories, when metrics are provided, their non-standardized nature tends to make cross-city comparison difficult. LOS provision for each case study city is summarized in the Appendix in Table 30 and notable City goals are included in the infrastructure sections.

LOS targets tend to be qualitative – More often than not, infrastructure goals provided in the case study cities' planning documents tend to be either qualitative (e.g. improve "walkability"), or very specific (e.g. build an additional 10 miles of bicycle network on 12th Street). These goals are rarely clearly tied to demand. Identified LOS targets for each case study city are summarized in the Appendix in Table 31.

LOS targets tend to be aspirational – When quantitative LOS targets are provided, they tend to be aspirational rather than financially realistic. Many cities indicated that they fall short of the goals set forth in planning and policy documents, and that the goals were intended primarily as a guide rather than as a mandate. Table 3 summarizes some of the LOS metrics that are used in the case studies or in academic policy documents. These metrics were reviewed with agency stakeholders to determine whether any of them would be appropriate for San Francisco. It was noted that aspirational targets can be problematic if too ambitious. An oversupply of infrastructure can overburden limited operations and maintenance capacity. For example, a highly ambitious recreation and open space standard, and subsequent provision, can lead to unmaintained park lands and deteriorating public assets. Street tree provision is another example of where the ongoing care is as important as the initial planting and establishment of the street trees.¹¹

¹⁰ Note that there are a number of smaller California cities (such as Berkeley, Santa Monica, and Palo Alto) that consider childcare provision in their needs assessment of community facilities, and require developers to accommodate their fair share of future childcare needs.

¹¹ AECOM, "Financing San Francisco's Urban Forest – The Benefits and Costs of a Comprehensive Street Tree Program." October 2012. Print.

Table 3. Common Findings and Infrastructure LOS Metrics

Infrastructure Type	Finding	Metrics Considered
Recreation and Open Space	In addition to the longstanding metric of acres per 1,000 residents, many cities are also evaluating access and proximity measures.	<ul style="list-style-type: none"> • Percent of total land area • Distance to nearest park per resident • Acres per 1,000 residents • Acres per household • Municipal spending per capita • Tree canopy coverage
Childcare Facilities	Likely because of the primarily private provision, childcare facilities are rarely addressed as a city infrastructure requirement. ¹²	<ul style="list-style-type: none"> • Childcare spaces per resident • Square foot of childcare facilities per child • Percent of demand accommodation
Streetscape and Pedestrian Infrastructure	Most cities tend to have qualitative goals associated with streetscape and pedestrian infrastructure – addressing quality and aesthetics rather than quantity. Goals to increase pedestrian mode share ¹³ are common, without necessarily concrete action plans. Right-of-way standards for new greenfield development are common but often developed at a Master Plan or Specific Plan level.	<ul style="list-style-type: none"> • Percent of streets with sidewalks • Linear feet of sidewalk per resident • Pedestrian Environmental Quality Index (PEQI)¹⁴ • Street tree provision or canopy coverage • Customized metrics incorporating lighting, sidewalk width, separation from traffic, adjacent road speed, etc.
Bicycle Infrastructure	Increasing bicycle mode share was a common goal (Boston, Philadelphia, Portland, and Vancouver). Almost all cities have developed bicycle master plans with target bicycle networks identified. Miami and Philadelphia both had “bike friendly” status goals tied to national organization rankings.	<ul style="list-style-type: none"> • Percent of streets with bike lanes • Linear feet of bike lane per resident (or per service population¹⁵) • Mode share • Customized metrics incorporating width, encounter frequency, adjacent road speed, etc.
Transit Infrastructure	Transit LOS is typically much more difficult to evaluate given its complexity. Many cities have transit mode share goals (Portland, San Jose, and Vancouver).	<ul style="list-style-type: none"> • Transit score • Mode share • Customized metrics incorporating headways, trip times, reliability, schedule range, seat availability, etc.

Source: AECOM, 2013.

Where possible, LOS provision for each case study city, as well as San Francisco, is summarized in the Appendix in Table 30.

Case study findings related to infrastructure prioritization and financing are included in Chapter 11.

¹² Berkeley, Santa Monica, Palo Alto, and Concord are all examples in California of cities that do address childcare provision.

¹³ Mode share measures the percentage of all transportation trips that use a given “mode.” Walking, bicycle, public transit, and private vehicles are the most common modes of travel.

¹⁴ “Pedestrian Environmental Quality Index .” *Program on Health, Equity and Sustainability*. San Francisco Department of Public Health. Web. 31 June 2013. <http://www.sfphe.org/elements/24-elements/tools/106-pedestrian-environmental-quality-index>

¹⁵ Service population is a unit of measure that encompasses all local infrastructure users, including residents and employees. Residents are assigned one point, while employees are typically assigned 0.5 points to reflect their lower level of usage. For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

CURRENT LOS PROVISION EVALUATION

Using the identified metrics, the infrastructure provision for all categories, with the exception of transit infrastructure and childcare,¹⁶ were mapped using GIS.¹⁷ Mapping the infrastructure provision allows for both the evaluation of a citywide LOS, and, in some cases, an understanding of how infrastructure provision is distributed across the city's 37 neighborhoods. These citywide and neighborhood provision maps can help inform how capital funds may be prioritized based on current distribution.

The developed LOS metrics aim to account for variations in service density, demand, and other factors. However, it is not always possible to account for all factors that influence geographic demand and supply variation of an infrastructure type.

LOS and Infrastructure Standard Development

Two tiers of standards are included as part of this study: (1) long-term aspirational goals and (2) short-term targets.

Both the long-term aspirational goals and short-term targets were identified based on existing policies and department direction, or as a result of reviewing the existing LOS provision. The bifurcation is meant to balance the City's ideal infrastructure aspirations with what it can reasonably expect to provide, given capital and operations budgets and other external limitations. The long-term aspirational goals represent an ideal level of service for each infrastructure category absent any constraints. The short-term targets are intended to indicate what the City will aim to provide for its residents by 2030, or in the case of childcare and bicycle infrastructure, in a shorter time frame (2020). The short-term targets are intended to ground expectations and help ensure equitable distribution of infrastructure; however, the aspirational goals established through policy work and community-based planning will continue to influence the City's long-term infrastructure planning.

As with the LOS metrics, some departments have already invested a significant amount of effort in developing detailed needs assessments for San Francisco and for specific neighborhoods. It is important to note that in no way does this work, particularly the gap assessment, intend to override the analysis that has already been done by various agencies.

Infrastructure Shortfall and Gap Analysis

LOS targets are overlaid on the city's current LOS provision to identify variations in shortfall and surplus throughout the city. The LOS targets are also overlaid on the projected future (2030 or 2020) population to determine the projected shortfall, if no infrastructure investment was made.

Many of the gap analyses are presented at the neighborhood level, and are meant to serve as a high-level overview of the distribution of services throughout the city. Given the nature of many of the infrastructure facilities, it is often not possible or not appropriate to provide an equal LOS in each of the neighborhoods. For example, recreation and open space varies throughout the city based on urban form: in the downtown, open space requirements are nearly impractical to apply where there are few, if any, land acquisition opportunities that could support the development of a neighborhood park. As well, some areas of the city require higher levels of service than others. For this reason, the LOS provision targets apply to the entire city, not to individual






¹⁶ The LOS metrics identified for transit are only available as citywide indicators and are not geographically located.

¹⁷ For a complete list of data sources, see Table 29. The LOS metrics identified for childcare are based on citywide demand, and, given data limitations, cannot be geographically disaggregated.

neighborhoods. It is worth noting as well that neighborhood-level analysis by definition uses neighborhood boundaries. In some cases, neighborhood provision may be distorted where infrastructure falls across a neighborhood line, but clearly also serves adjacent neighborhoods. This idiosyncrasy is a function of neighborhood-level analysis and is a reminder that the analysis is an informational tool.

The results of the LOS target evaluation for all of the infrastructure metrics are summarized in Table 4.

Table 4. Summary of LOS Metrics for Five Infrastructure Categories

Facility Type	LOS Metric	Current Citywide Average	Long-term Aspiration	Short-term Target	Projected Citywide Shortfall ¹
	Recreation and Open Space	LOS	LOS	LOS	2030
1	Acres of City-Owned Open Space / 1,000 Service Population Units (SPU)	4.0	4.0	4.0	566 acres
1.1	<i>Acres of Open Space / 1,000 SPU</i>		3.5	3.5	55 acres
1.2	<i>Acres of Improved Open Space / 1,000 SPU</i>		0.5	0.5	511 acres
2	Acres / 1,000 Adjacent Residents	0.7	0.5	0.5	N/A
	Childcare	LOS	LOS	LOS	2020
1	% of Infants and Toddlers (0-2) Childcare Demand Served by Available Licensed Slots	37%	100%	37%	2,529 spaces
2	% of Preschool Age Children (3-5) Childcare Demand Served by Available Licensed Slots	99.6%	100%	99.6%	2,256 spaces
	Streetscape and Pedestrian Infrastructure	LOS	LOS	LOS	2030
1	Square feet of improved sidewalk space per service population unit	103 square feet of sidewalk / SPU	88 square feet of improved sidewalk / SPU	88 square feet of improved sidewalk / SPU	N/A
	Bicycle Infrastructure	Infrastructure	Infrastructure	Infrastructure	2020
1	Number of Premium (LTS 1, 2) Network Miles	51 miles	251 miles, 100%	61 miles	10 miles
2	Number of Upgraded Intersections	3 intersections	203 intersections	13 intersections	10 intersections
3	Number of Bicycle Parking Spaces	8,800 spaces	58,000 spaces	12,800 spaces	4,000 spaces
4	Bicycle Share Program (Bikes + Accompanying Share Station)	0	300 stations 3,000 bicycles	50 stations 500 bicycles	50 stations 500 bicycles
	Transit Infrastructure	LOS	LOS	LOS	2030
1	Transit Crowding (% of Boardings Relative to Capacity)	N/A	N/A	85%	N/A
2	Transit Travel Time (Average Minutes per Trip)	33.72	N/A	33.60	N/A

Source: AECOM, 2013

1. Projected citywide shortfall is calculated by applying the short-term target LOS to the 2030 service population (or 2020 service population, in the case of childcare and bicycle infrastructure).

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4. RECREATION AND OPEN SPACE



Recreation and open space infrastructure is one of the infrastructure types that has received a significant amount of thought, public outreach, and organization from the City. This section will outline conventions as well as existing San Francisco policy metrics for measuring open space provision, with case study comparisons where applicable. This section will then propose metrics and undertake an assessment of existing conditions based on those metrics. Table 5 below notes the City policies referenced in this section; full texts of these policies are appended for information. Note that

the terms parks, parkland, open space, and recreation space are used synonymously in this section to refer to recreation and open space. For information, an overview of San Francisco open space is mapped, by ownership (Figure 1).

Table 5. Recreation and Open Space Guiding and Reference Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
Recreation and Open Space Element (ROSE)	Planning Department	June 2011	Draft report	<ul style="list-style-type: none"> • Identification of “areas of need” based on socioeconomic measures and access to park land • Information on existing and proposed open space
Acquisition Policy	RPD	August 2011	Adopted	<ul style="list-style-type: none"> • Definition of “passive” and “active” open space • “High-needs area” metric definition

Source: AECOM, 2013.

BACKGROUND

Recreation and open space has historically been measured as a ratio of acreage to residents. In 1981, the National Park and Recreation Association (NPRA) defined what has since become a ubiquitous standard recommendation of 10 acres of park per 1,000 people.¹⁸ In recent years, this general rule has been modified by planners and municipal governments to reflect more reasonable ratios for densely-populated, built-out cities.

¹⁸ Fogg, George E. National Recreation and Park Association, Park Planning Guidelines. 1981.

Published standards for cities have ranged from 4 to 10 acres per 1,000 residents.¹⁹ San Francisco currently provides 4.6 acres of *city-owned* recreation space²⁰ per 1,000 residents, and 8.2 acres per 1,000 residents of *total* recreation space (including county, metro, state, and federal acres within the city limits, such as the Presidio). More tellingly, San Francisco provides 4.0 acres of *city-owned* recreation space per 1,000 *service population units* and 7.2 *total* acres per 1,000 *service population units*.²¹ This measure of provision per service population unit more accurately describes San Francisco's LOS, as it includes employees, who also use park resources.

While all case study cities provide context, New York and Vancouver in particular are San Francisco's cohort for open space: all three cities are geographically constrained within a small land area and support high population densities. San Francisco, at 4.6 city-owned acres per 1,000 residents, falls between New York at 3.5²² and Vancouver at 7.0.^{23 24} According to a Trust for Public Land survey, New York provides 4.6 acres of total open space per 1,000 residents within the city limits, compared with San Francisco's 8.2.²⁵

Another perspective on open space addresses access. Many cities (Miami, Philadelphia, Portland, and Vancouver) aim to provide open space within walking distance of residents. A stock measure of accessibility is a ten-minute walk, which is roughly equivalent to a half mile distance. The Planning Department undertook an accessibility study of San Francisco, by imagining walksheds of half mile radii around every park, and determining any excluded city area. As reported in the ROSE, this analysis shows that almost everywhere within San Francisco is within a half mile from open space. From an accessibility standpoint, San Francisco scores well, and this metric does not represent much opportunity for improvement. This metric of residents within a half mile radius of open space is a common metric among recreation authorities; but, since San Francisco essentially achieves the standard, the accessibility metric is excluded from this discussion.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, the two most frequent metrics consider issues of access (distance from parks) and quantity (amount of parks). Both of these metrics are reflected in RPD's current provision policies and goals, which are compared to the metrics for five case study cities (Table 6, Table 7). Note that some cities, such as San Diego, only have goals for "neighborhood and community parks," while others have quantified goals that include other types of regional and open space parks, which distorts the comparisons. As Table 6 and Table 7 show, most cities are performing well relative to their goals and their current provision.

¹⁹ Moeller, John. American Society of Planning Officials, Standards for Outdoor Recreational Areas. Information Report No. 194. <https://www.planning.org/pas/at60/report194.htm?print=true>

²⁰ City-owned recreation space includes land owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency

²¹ For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. For a more complete definition of service population see the Service Population Definition in the Appendix (p.83). Refer also to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

²² An estimated 29,000 acres of New York City's 38,000 acres of park land are city-owned (The Trust for Public Land, 2011 City Park Facts Report, <http://www.tpl.org/publications/books-reports/ccpe-publications/city-park-facts-report-2011.html>) and serve New York's roughly 8.3 million residents (U.S. Census Bureau, 2011).

²³ See Table 30 in the Appendix. San Jose and San Diego's numbers may include regional parks within the city boundaries, resulting in inflated metrics compared to San Francisco and Vancouver.

²⁴ These New York and Vancouver metrics do not include county, state, and federal acres within the city limits.

²⁵ "2011 City Park Facts Report." The Trust for Public Land. The Trust for Public Land, 1 Nov. 2011. Web. 22 Jul. 2013. <http://www.tpl.org/publications/books-reports/ccpe-publications/city-park-facts-report-2011.html>

Table 6. Current LOS Provision Comparison - Recreation and Open Space^{1,2}

San Francisco	Philadelphia	Portland	San Diego	San Jose	Vancouver
<ul style="list-style-type: none"> Over 200 city-owned parks 6,600 acres of open space within city limits 3,600 acres of active space 	<ul style="list-style-type: none"> 60% of residents live within 10 minutes / 0.5 mi of open space 	<ul style="list-style-type: none"> 70% of residents within 3 miles of full-service community center 75% of residents within 0.5 mi of a park 	<ul style="list-style-type: none"> 2.8 acres per 1,000 residents for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 92% of residents live within 5 minutes of green space
<ul style="list-style-type: none"> 6.6 acres / 1,000 residents (per Trust for Public Land Data) 8.1 acres per 1,000 residents (per RPD data) 	<ul style="list-style-type: none"> 7.2 acres / 1,000 residents 	<ul style="list-style-type: none"> 24.6 acres / 1,000 residents (Intermediate - Low density city) 	<ul style="list-style-type: none"> 35.9 acres / 1,000 residents (Intermediate - Low density city) 	<ul style="list-style-type: none"> 16.5 acres / 1,000 residents 	<ul style="list-style-type: none"> 6.97 acres / 1,000 residents (without regional parks)

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

2. Data on acres of open space per 1,000 residents is from the Trust for Public Land, "Acres of Parkland per 1,000 Residents, by City." http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4

Table 7. City LOS Aspirational Goals Comparison - Recreation and Open Space

San Francisco ¹	Philadelphia	Portland	San Diego	San Jose	Vancouver
<ul style="list-style-type: none"> 10 minute / 0.5 mi access to open space for all residents 0.5 acres per 1,000 residents within a 0.5 mi radius 	<ul style="list-style-type: none"> 75% of residents live within 10 minutes / 0.5mi of open space by 2025 Add 500 acres by 2015 10 acres per 1,000 residents 	<ul style="list-style-type: none"> 100% of residents within 3 miles of a community center 100% of residents within 0.5 mi of a park By 2020, 1,870 more acres of park 	<ul style="list-style-type: none"> 2.8 acres per 1,000 residents of neighborhood and community parks 35 acres per 1,000 residents for all parks, including regional 	<ul style="list-style-type: none"> 31 acres per 1,000 residents 3.5 acres of community serving parks per 1,000 residents 	<ul style="list-style-type: none"> 100% of residents within 5-min walk to green space, by 2020 Plant 150,000 new trees by 2020

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

RECREATION AND OPEN SPACE LOS METRICS

Two metrics were identified to measure recreation and open space infrastructure LOS. The two metrics are intended to measure total type of provision, and distribution and intensity of use. The two LOS metrics are:

- Acres of City-owned open space per 1,000 service population units
- Acres per 1,000 adjacent residents

Acres of Active Open Space per 1,000 Service Population Units

Table 8. Acres of Active Open Space per 1,000 Service Population Units – LOS Provision, Goal, and Target

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> 4.0 acres of City-owned open space (within City limits) per 1,000 service population units 	<ul style="list-style-type: none"> See Table Note
Long-term Aspirational Goal	<ul style="list-style-type: none"> 4.0 acres of City-owned open space (within City limits) per 1,000 service population units, achieved either through newly constructed open space or improvement to existing open space <ul style="list-style-type: none"> 3.5 acres of open space per 1,000 service population units 0.5 acres of improved open space per 1,000 service population units 	<ul style="list-style-type: none"> RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst
Short-term Target	<ul style="list-style-type: none"> 4.0 acres of City-owned open space (within City limits) per 1,000 service population units, achieved either through newly constructed open space or improvement to existing open space <ul style="list-style-type: none"> 3.5 acres of open space per 1,000 service population units 0.5 acres of improved open space per 1,000 service population units 	<ul style="list-style-type: none"> RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst

Note: RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in a meeting on November 14, 2013, that RPD owned approximately 3,437.28 acres of open space within the City and that other City agencies – DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency – owned another approximately 324.4 acres. Given the 2013 recreation and open space service population of 934,726, the current citywide average acreage per 1,000 service population units is calculated to be 4.0. RPD staff members also noted that the City could feasibly commit to constructing 55 new acres of open space by 2030, which results in 3.5 acres of open space per 1,000 service population units (2030 service population of 1,081,926). The remaining 0.5 acres of open space per 1,000 population units will be achieved through capacity improvements to existing open space. Refer to the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), for a more detailed discussion of capacity improvements to recreation and open space and the LOS implications.

While acres of open space *per resident* represents the conventional measure, service population units are used for this metric to reflect that parks serve both the resident and employee population.²⁶ Open space acreage is confined to City-owned open space within city limits to reflect the open space upon which the City can effect change.

RPD staff has set the current citywide LOS of 4.0 acres of City-owned open space per 1,000 service population units as both the short-term LOS target for 2030 and the long-term aspirational goal (Figure 2, Figure 3). San Francisco’s density and expensive land costs limit the creation of new park space. Based on conversations with RPD staff, RPD’s focus is expected to be maintaining existing acreage, improving current acreage, prioritizing upgrades, improving areas of need, and constructing a limited amount of new acreage. Of the 4.0 acres of City-owned open space per 1,000 service population units, 3.5 acres per 1,000 service population units will be achieved in open space acreage and the remaining 0.5 acres per 1,000 service population units will be achieved by improving the capacity of existing open space. The companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), includes a more detailed discussion of recreation and open space capacity improvements and the LOS implications.

²⁶ For a more complete definition of service population see the Service Population Definition in the Appendix (p.83).

Infrastructure Shortfall and Gap Analysis

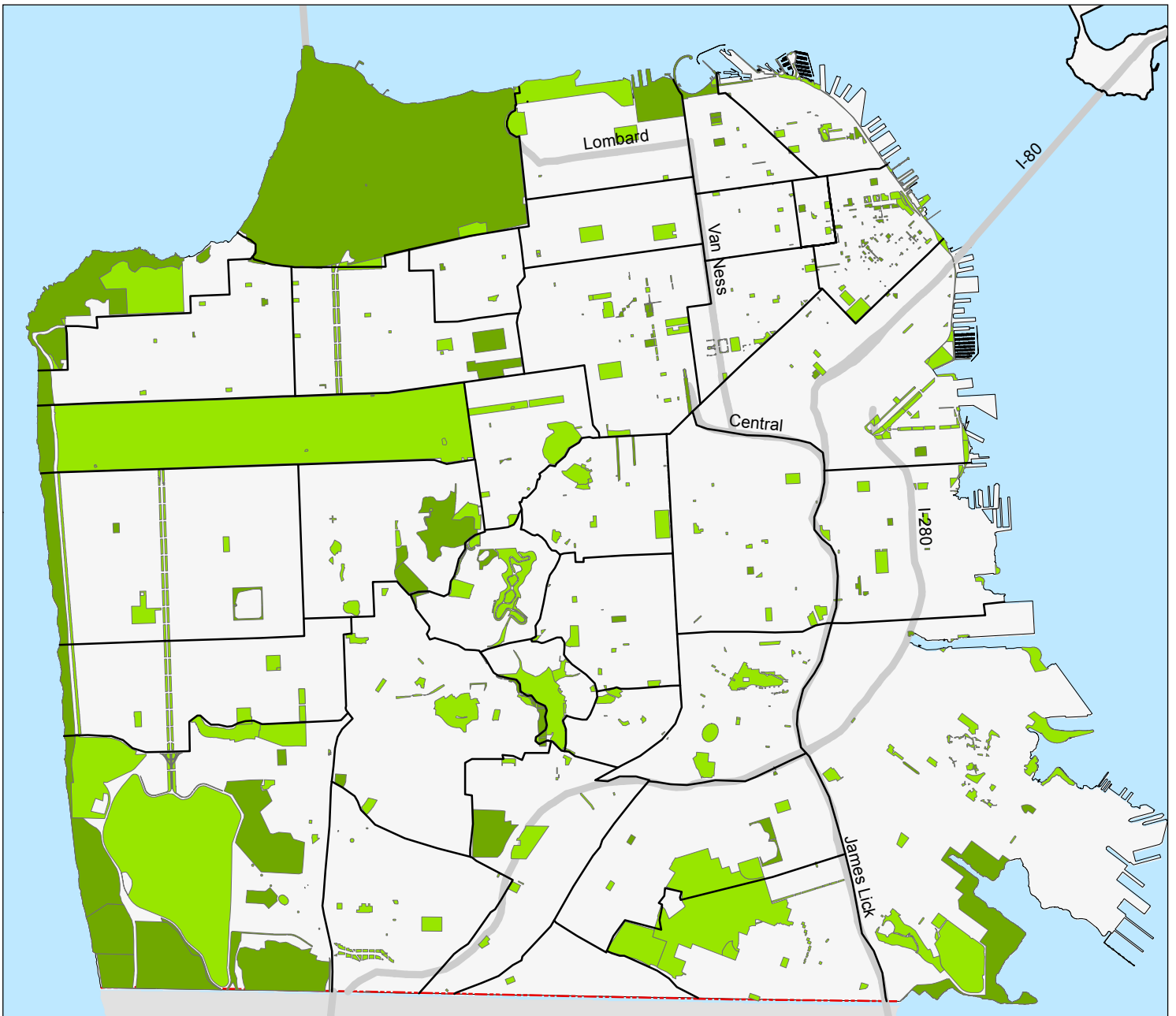
No shortfall exists at the current time, given that the metric target is based on maintaining the current provision into the future, although some neighborhoods, however, fall below the short-term target. As the population increases, by 2030, if the amount of open space remains the same, the LOS metric will fall from 4.0 to 3.5, and the acquisition of approximately 566 additional acres of park space will be required to address growing demand (Figure 3).²⁷ These additional acres could be created by acquiring land and constructing new open space or by expanding the capacity of existing open space.²⁸ Given San Francisco's density and land costs, 566 acres of new park space is an unlikely ambition by an order of magnitude. Instead the majority of 'new' open space is likely to be an increase in the capacity of existing parks, rather than the acquisition of more land for new park construction. RPD staff estimates that they can feasibly commit to constructing 55 new acres of open space by 2030, and increase the capacity through open space improvements of the remaining 511 acres.²⁹

²⁷ This calculation is based on demographic projections from the San Francisco Planning Department, received by AECOM on May 14, 2013 from Aksel Olsen, Planner/Geographer in the Citywide Information and Analysis Group, San Francisco Planning Department.

²⁸ Expanding the capacity of existing open space involves, for example, adding a second floor to a recreation center, adding lighting to a tennis court to extend its hours (so more people can use it), adding trails to a forested area, adding a play feature to a playground, or adding an athletic field to a lawn park.

²⁹ Refer to the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), for a more detailed discussion of recreation and open space capacity improvements and the LOS implications.

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Citywide Park Provision (2013)

Total City Open Space (existing acres)	6,737
City-Owned Open Space (existing acres)	3,762
Non-City-Owned Open Space (existing acres)	2,975
Total Acres / 1,000 Residents	8.2
Total Acres / 1,000 SPU*	7.2
Total City-Owned Acres / 1,000 Residents	4.6
Total City-Owned Acres / 1,000 SPU*	4.0

*Service Population Unit

LEGEND

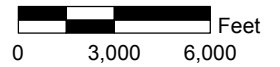
- - - - County Boundary
- Neighborhoods
- Highways

Open Space by Ownership

- Non-City-owned open space
- City-owned open space



NORTH



Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

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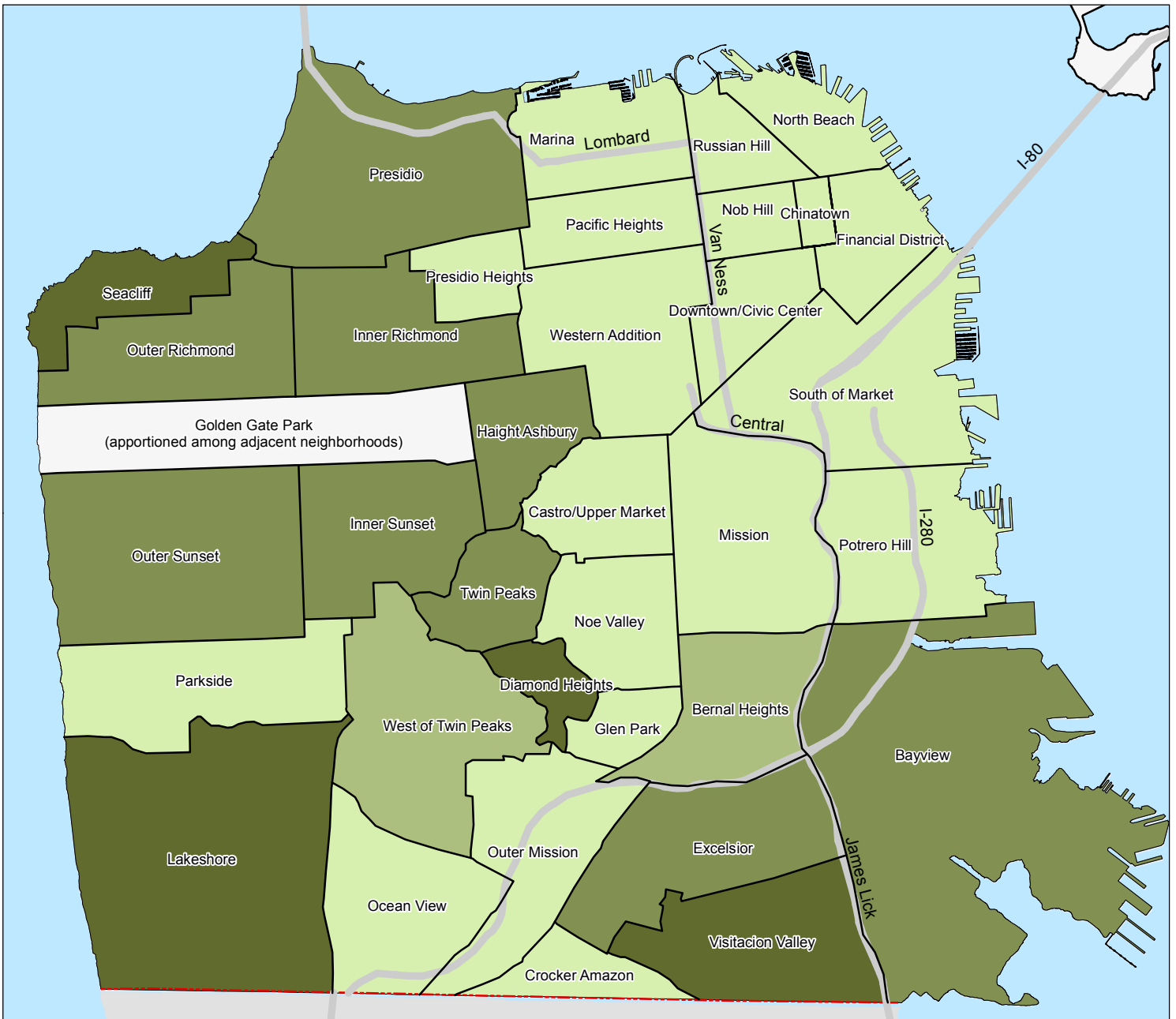
AECOM

Figure 1. Total Recreation and Open Space by Ownership (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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Citywide Park Provision (2013)

Total City-Owned Open Space* (existing acres, 2013) 3,762

LOS Metric - Acres of City-Owned Open Space / 1,000 SPU**

Existing Citywide Average (2013) 4.0

Short-term Target (2030) 4.0

Existing Citywide Shortfall (Acres) 0

*City-owned open space includes open space owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco

** Service Population Units

LEGEND

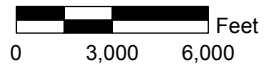
- County Boundary
- Neighborhoods
- Highways

City-Owned Open Space Per 1,000 Service Population Unit

- Under 2.0
- 2.0 - 4.0 (Citywide average, 2013)
- 4.0 - 10.0
- Above 10.0



NORTH



Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

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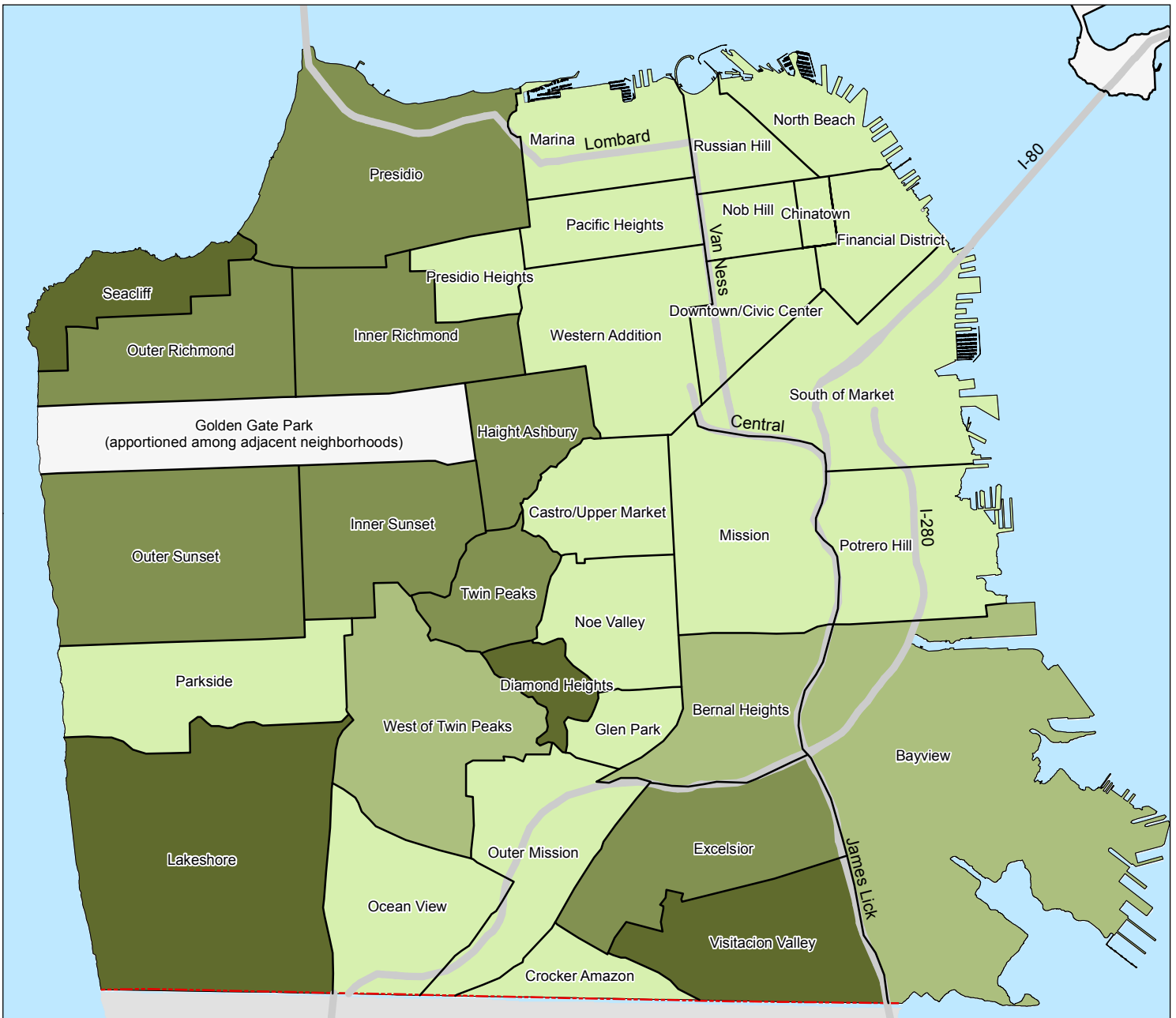
AECOM

Figure 2. Total City-Owned Recreation and Open Space per 1,000 Service Population Units (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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Citywide Park Provision (2030)

Total City-Owned Open Space* (existing acres, 2013) 3,762

LOS Metric - Acres of City-Owned Open Space / 1,000 SPU**

Projected Citywide Average (2030)*** 3.5

Short-term Target (2030) 4.0

Projected Citywide Shortfall (Acres) 566

*City-owned open space includes open space owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency

**Service Population Units

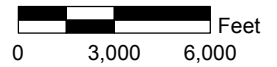
***Projected Citywide Average (2030) assumes the addition of no open space acres - i.e. assumes existing acreage is maintained while population grew

LEGEND

- County Boundary
- Neighborhoods
- Highways



NORTH



Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

City-Owned Open Space Per 1,000 Service Population Unit

- Under 2.0
- 2.0 - 4.0 (Short-term target, 2030)
- 4.0 - 10.0
- Above 10.0

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Figure 3. Total City-Owned Recreation and Open Space per 1,000 Service Population Units (2030)

San Francisco Infrastructure Level of Service Analysis

February 2014

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Acres Per 1,000 Adjacent Residents

Table 9. Acres per 1,000 Adjacent Residents – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> • Average of 2.7 acres of open space per 1,000 adjacent residents • Median of 0.7 acres of open space per 1,000 adjacent residents • 135 parks with less than 0.5 acres per 1,000 adjacent residents 	<ul style="list-style-type: none"> • RPD and Planning Department data (see Table 29)
Long-term Aspirational Goal	<ul style="list-style-type: none"> • 0.5 acres of open space per 1,000 adjacent residents at all parks 	<ul style="list-style-type: none"> • RPD's Acquisition Policy, High Needs Area definition, p 20.
Short-term Target	<ul style="list-style-type: none"> • 0.5 acres of open space per 1,000 adjacent residents at all parks 	<ul style="list-style-type: none"> • RPD's Acquisition Policy, High Needs Area definition, p 20.

The acres per 1,000 adjacent residents metric is intended to measure whether residents are over- or under-served by their *proximate* parks. The metric is a partial proxy for park crowding, or, intensity of use. This metric enables the City to quantify varying park demand in a given neighborhood related to residential density.

While San Francisco has a high acreage per resident (8.6 acres per 1,000 residents), this citywide indicator does not account for the distribution of space relative to population distribution. This metric shows where small parks serve an inordinate amount of nearby residents.

This metric is a variation of a more typical LOS metric: distance from a park for all residents. A number of other cities including Miami, Philadelphia, Portland, and Vancouver use a proximity metric to evaluate adequate LOS provision in their policy documents.³⁰ Analysis presented in the ROSE highlights an RPD target of having all residents live within one half mile of a park, equivalent to a ten-minute walk. However, as demonstrated by the analysis, San Francisco is already close to achieving this target, making it a less useful goal.

Instead, guided by the 2011 Acquisition Policy, the proximity metric was modified to assess the *amount* of space within a reasonable distance of residents. The 2011 Acquisition Policy includes a discussion of “high needs areas,” defined as places with a high population density relative to open space. Generally this is quantified as less than 0.5 acres per 1,000 people within a half mile radius. The LOS target, therefore, is 0.5 acres per 1,000 adjacent residents, with this threshold defining the difference between well-supplied parkland and overcrowded or under-supplied parkland.

The analysis for this metric was performed by attributing census block populations to their nearest park (neighborhood boundaries were ignored). Populations will typically be within a half-mile of their nearest park, given the distribution of parks in San Francisco.³¹ Satisfying the distance requirement, this metric emphasizes the acreage component of the high needs area definition.

³⁰ Miami has a quarter mile access to open space target. Philadelphia aims to have 75 percent of residents living with a half mile of a park by 2025. Portland targets 100 percent of residents within a half mile by 2020. Vancouver is working towards having 100 percent of residents live within a quarter mile or 5 minutes of green space by 2020 – see Table 31.

³¹ Analysis by the Planning Department, reported in the ROSE plan, shows that half-mile radius buffers around all parks in San Francisco encompasses almost the entirety of the City.

Infrastructure Shortfall and Gap Analysis

The LOS target results in 135 parks being deficient, with values below 0.5 acres per 1,000 adjacent residents.³² Because block-level population projections are not available, it is not possible to anticipate 2030 shortfalls.

Based on this metric analysis, 41 percent of residents, or 330,000 people, are served by over-crowded parks. Not surprisingly, neighborhoods with higher land use intensity experience park overcrowding as measured by this metric. These areas were also identified in the City's ROSE as high needs areas.

PRACTICAL APPLICATION OF RECREATION AND OPEN SPACE METRIC

While both proposed metrics are important in measuring the quantity and distribution of open space, in its practical application, the acres of City-owned open space per 1,000 service population units best represents RPD's development and LOS intentions. As a result, this metric will inform the nexus between development and development impact fees.

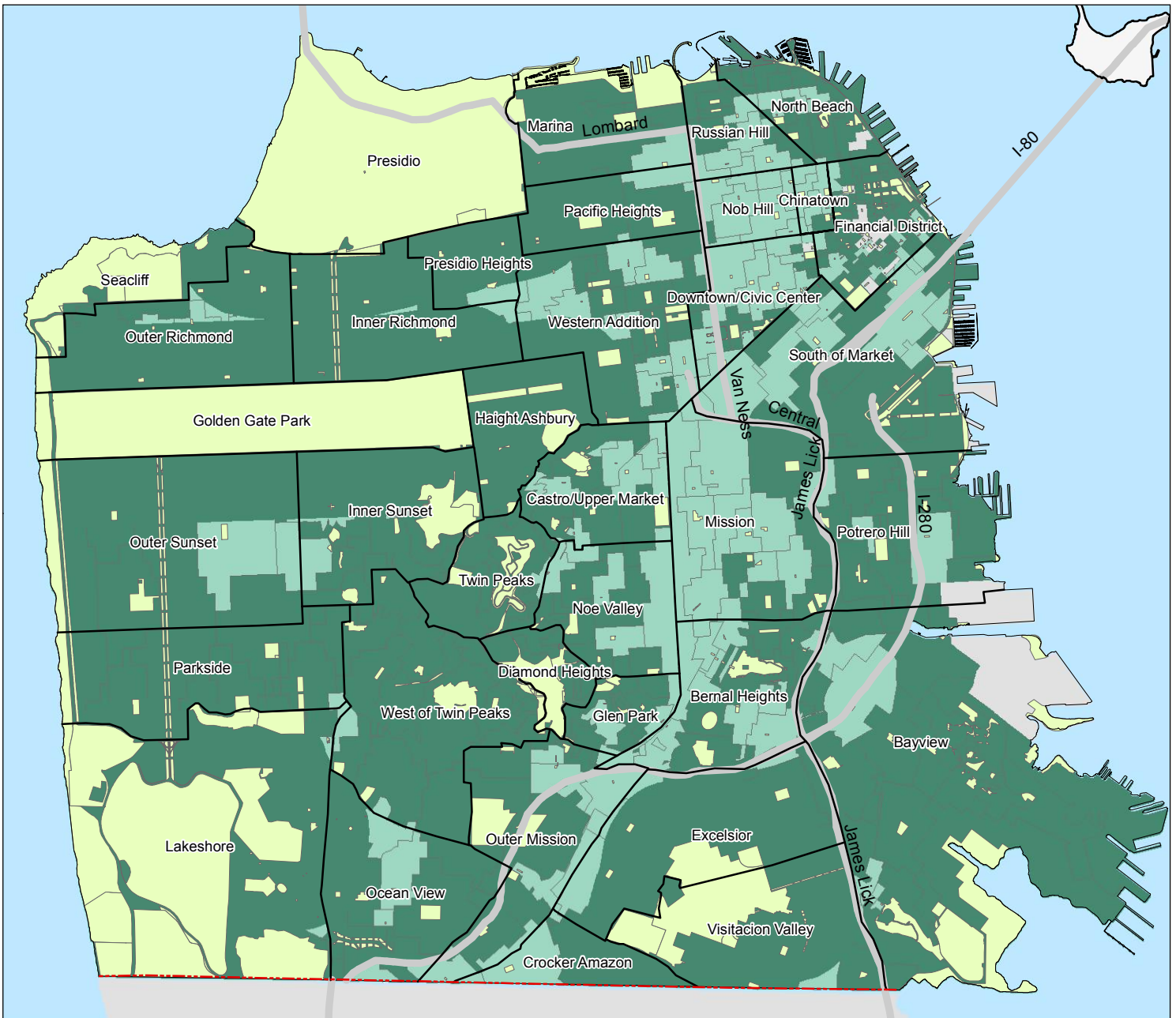
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

The following studies were identified in the LOS metric development process as potential next steps in the continued refinement of the City's recreation and open space provision evaluation:

- Cataloging usage of City-owned park elements (such as playgrounds or basketball courts) to develop an understanding of their capacity (children playing per hour or basketball players per hour).
- Cataloging usage of City-owned parks to determine the amount of people the average park serves, which parks are the most used or crowded, which parks are least used, and so on.

This additional data would allow the city to evaluate provision and distribution in greater detail.

³² The LOS target results in a citywide average of 2.7 acres per 1,000 adjacent residents (Figure 4). This average seems to satisfy the target, but it is important to remember that large parks and areas with low populations will have high acreages per 1,000 adjacent residents, inflating the average. The median, by comparison, is 0.7 acres per 1,000 residents.



Citywide Park Use Intensity (2013)

Total Number of Parks Analyzed* 360

LOS Metric - Total Acres / 1,000 Adjacent Residents

Current Citywide Median (2013)** 0.7

Short-term Target (2030)*** 0.5

Projected Citywide Shortfall (Acres) 100

* Parks with attributed blocks of zero population or with no attributable blocks excluded; Mission Bay parks conglomerated

** Excluded extreme outliers (populations below 100; acreages above 100), but the average is still inflated by low population blocks and high acreage parks. 135 parks deficient, although median is above LOS goal.

*** Per San Francisco RPD 2011 Acquisition Policy

NB: Half-mile radius drawn around five largest parks (Presidio, Golden Gate, Lake Merced, John McLaren, and SFSU) to include nearby census blocks although a smaller park may technically be closer.

LEGEND

--- County Boundary

— Neighborhoods

— Highways

Recreation/open space

Blocks with zero population

Acres of Open Space per 1,000 Adjacent Residents

At or above 0.5

Below 0.5



NORTH



Scale: 1 inch = 6,000 feet

Source: San Francisco RPD; 2010 Census

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Figure 4: Acres of Park per 1,000 Adjacent Residents by Block

San Francisco Infrastructure Level of Service Analysis

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5. CHILDCARE FACILITIES



While the City does not own or operate childcare facilities, the City does work – through the Human Services Agency (HSA) and the San Francisco Childcare Planning and Advisory Council (CPAC) – to ensure that a sufficient number of facilities are provided to meet demand. Without being directly responsible for facility provision, San Francisco, like a number of smaller California cities such as Berkeley, Santa Monica, and Palo Alto, recognizes childcare as an important community-serving necessity and

considers childcare in their needs assessment of community facilities. The City's involvement includes helping acquire funds for operations and contributing municipal funds for the complex patchwork of childcare subsidies for children of low-income families, as well as issue and record licensing for childcare facilities. Additionally, CPAC is charged with counseling policy-makers, planners, and funders about the needs of childcare in San Francisco. In terms of capital investment, the City helps acquire funds for facility construction. Given the City's capital investment, childcare infrastructure merits discussion as a City infrastructure component. This section will discuss childcare in San Francisco, propose two metrics, and evaluate childcare relative to the metrics. The policies referenced in this section are noted in Table 10 and appended for information.

Table 10. Key Childcare Facility Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Child Care Needs Assessment	San Francisco Child Care Planning and Advisory Council (CPAC)	2007	Final report	<ul style="list-style-type: none"> Childcare provision by geography Demand by low-income households (under 70% SMI)
San Francisco Citywide Plan for Early Care and Education and Out of School Time	San Francisco Child Care Planning and Advisory Council (CPAC)	May 2012	Final report	<ul style="list-style-type: none"> Summary of childcare provision and areas of need

Source: AECOM, 2013

BACKGROUND

In San Francisco, through HSA, CPAC and various city agencies, the importance of childcare, particularly for young children, is readily recognized. Childcare differs depending on the age of the children, and typically children are divided into three age brackets: infants / toddlers, preschoolers, and school-age children. The City

defines infants / toddlers as children aged 0 to 2, preschoolers as children aged 3 to 5, and school-age children as children aged 6 to 14.³³

Childcare provision can be divided into categories as well: licensed childcare and unlicensed childcare. Unlicensed childcare can be more formal care, like programs through boys and girls clubs and RPD, or more informal care, like stay-at-home parents, nannies, and grandparents.³⁴ Unlicensed childcare is largely beyond the purview or control of the City.

Licensed childcare has two forms, namely childcare centers and family childcare homes (FCCH). Centers are institutions that provide childcare in a childcare facility – which is often within a commercial building. Typically, centers care for a large number of children, divide them into age groups, and staff each age group with appropriate childcare and early education professionals. FCCHs are private homes where the homeowner provides childcare. FCCH capacity is lower, with a maximum of 12 to 14 children. Typically, FCCHs care for a mixed-age group of children.

Because both centers and FCCHs require licensing from the City, and because the City only provides capital funding to licensed facilities, the discussion of City childcare will be confined to licensed childcare. Furthermore, since school-age care is largely provided within schools – that is, facilities built by the school district (a legally separate public entity) and facilities generally not expanded for childcare independent of school growth – the discussion of City childcare will focus only on infant / toddler care and preschooler care.

Infant / toddler care is relatively under-provided as a service. CPAC's 2012 report, the *San Francisco Citywide Plan for Early Care and Education and Out of School Time*, indicates that the greatest unmet childcare need is for infant and toddler care.³⁵ The cost of infant / toddler care is expensive due in part to the high staff-to-infant ratio requirements. Preschool care is more adequately supplied than infant / toddler care, in part due to Proposition H, a Charter Amendment passed in 2004 to fund preschool care.³⁶ The aim of Proposition H is to provide quality, accessible preschool care to all four-year-olds – the so-called *Preschool for All* (PFA) movement.³⁷

Note that demand for childcare comes primarily from city residents, including those who work within the city and those who work outside of the city. A lesser portion of childcare demand is also generated by non-residents who work within San Francisco. A portion of San Francisco employees, who live in, and commute from, the greater Bay Area, bring their children into the city for childcare. Generally, childcare demand is calculated by estimating the pool of children requiring licensed childcare, based on labor force participation rates and an estimated proportion of parents who use formal licensed care. Detailed childcare demand calculations are included in the appendix (Childcare Demand Calculations). **All childcare demand values used in this section are based on the calculations included in the appendix.**

³³ The three category break-downs –infants (0-2), preschoolers (2-5) and school age children (6-13) – were used in the 2008 *Citywide Development Impact Fee Study Consolidated Report* prepared for the Controller's Office.

³⁴ Dobson, Graham. Message to the author. 14 May 2013. Email.

³⁵ United States. Office of Early Care and Education. San Francisco Child Care Planning and Advisory Council (CPAC). "San Francisco Citywide Plan for Early Care and Education and Out of School Time." CPAC, 2012. Print.

³⁶ San Francisco Public Schools. "Public Education Enrichment Fund (PEEF)." Web. 22 Jul. 2013. <http://www.sfusd.edu/en/about-sfusd/initiatives-and-plans/voter-initiatives/public-education-enrichment-fund.html>

³⁷ PFA is supported federally by Obama's PFA initiative in the 2014 budget. Several studies complement the universal preschool initiative, showing that preschool children tend to score higher on tests and attain higher education levels.

CASE STUDY COMPARISON: PROVISION AND METRICS

Considering childcare as infrastructure is a relatively new policy direction (in comparison to streets and sewers, for example), it is less frequently addressed directly by city policies. In a survey of case study cities, only Vancouver indicated a City-led commitment to increasing the available childcare provision by a quantified number of slots (150 spaces³⁸) (Table 12). A number of California cities, however, also consider the provision of childcare as an important community asset, including Berkeley, Santa Monica, and Palo Alto.³⁹

Vancouver currently is able to serve 19 percent of its total child population, although this statistic does not account for childcare demand. San Francisco is able to serve 37 of its demand for licensed infant and toddler child care and 99.6 percent of its demand for licensed preschooler childcare (Table 11).

Table 11. Current LOS Provision Comparison – Childcare

San Francisco ^{1,2}	Vancouver
<ul style="list-style-type: none"> • 2,951 licensed childcare spaces for infants / toddlers (age 0-2) • 14,661 licensed childcare spaces for preschoolers (age 3-5) • Serves 37% of demand for licensed infant / toddler (age 0-2) spaces • Serves 99.6% of demand for licensed preschooler (age 3-5) spaces • Not provided by the City 	<ul style="list-style-type: none"> • 53 Childcare facilities • 19% of all children have access to public care

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).
2. Refer to the appendix (Childcare Demand Calculations) for detailed childcare demand calculations.

Table 12. City LOS Goals Comparison - Childcare

San Francisco ¹	Vancouver
<ul style="list-style-type: none"> • No explicit policy goal or LOS metric 	<ul style="list-style-type: none"> • 500 new spaces by 2014

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

CHILDCARE LOS METRICS

Two metrics were identified to measure childcare LOS provision:

³⁸ Canada. City of Vancouver. "2012-2014 Capital Plan: Investing in our City." City of Vancouver, n.d. Web. 22 July 2013. <http://vancouver.ca/files/cov/capital-plan-2012-2014.pdf>

³⁹ Although few cities have explicit, quantified goals for childcare provision, childcare is increasingly debated as an arena for public intervention. Non-parent care has become the norm in the US, and early childcare is, in essence, early childhood education. Quality childcare has been linked to developmental benefits, and societies at large benefit from the cognitive, linguistic, and behavioral competencies associated with high quality childcare. While a variety of studies link better early childcare with better school-preparedness, among other advantages, equitable distribution of childcare is a challenge because high-quality childcare is higher-cost and is, thus, often inaccessible to low-income families. While the economic and social justifications of public intervention in childcare remain an unresolved debate, the inclusion of childcare as an infrastructure item allows San Francisco to at least examine its provision, which incorporates some – although limited – public involvement. Reference: Vandell, Deborah Lowe and Wolfe, Barbara. "Child Care Quality: Does It Matter and Does It Need to Be Improved?" *Institute for Research on Poverty*, Special Report No. 78 (2000). Web. 19 Sept. 2013. <http://www.irp.wisc.edu/publications/sr/pdfs/sr78.pdf>

- Percent of infant / toddler (0-2 Years) childcare demand served by available slots
- Percent of preschooler (3-5 Years) childcare demand served by available slots

While most short-term LOS metrics target 2030, childcare short-term targets use 2020 as a target date instead. This is due to the changing age demographics projected by the California Department of Finance (P-3 projections). The population of children in the city is expected to continue to increase through 2020, after which it is expected to decline slightly. As such, 2020 is used as a target date so that near term childcare needs are met. The childcare metrics and demand projections may be revisited at reasonable intervals to ensure that the provision is still appropriate. Each of the metrics will be discussed in the following subsections.

Percent of Resident Infant and Toddler (0-2 Years) Childcare Demand Served by Available Slots

Table 13. Percent of Infant / Toddler Childcare Demand Served by Available Slots – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> • With almost 3,000 slots, 37 percent of infant / toddler childcare demand can be accommodated in existing slots 	<ul style="list-style-type: none"> • Michele Rutherford, Program Manager for San Francisco HAS ¹ • AECOM's childcare demand estimates (refer to the appendix Childcare Demand Calculations)
Long-term Aspirational Goal	<ul style="list-style-type: none"> • Slots to accommodate 100 percent of infant / toddler childcare demand 	<ul style="list-style-type: none"> • CPAC, OECE staff
Short-term Target	<ul style="list-style-type: none"> • Slots to accommodate 37 percent of infant / toddler childcare demand; the target is to maintain existing service levels 	<ul style="list-style-type: none"> • CPAC, OECE staff

Note:

1. Michele Rutherford, Program Manager at HSA, noted 2,951 existing infant and toddler slots via email to Harriet Ragozin of KMA on 15 November 2013.

The City currently licenses almost 3,000 infant / toddler childcare spaces in San Francisco. The number of infants and toddlers needing licensed care in San Francisco is approximately 8,000. As a result, childcare slots are available for approximately 37 percent of the infant / toddler childcare demand.

As an aspirational LOS goal, the Office of Early Childcare and Education (OECE) would like to ensure affordable care for all resident infants and toddlers who require care. This ideal LOS is a practical impossibility, because OECE is not directly responsible for providing childcare spaces, because of financial and capacity constraints, and because exact demand for infant and toddler childcare is unknown. OECE can support childcare with capital funding of facilities, subsidies for slots, and operating regulations, but OECE does not directly build or operate facilities. Even if OECE did directly provide childcare spaces, the cost to provide care for all infants and toddlers would be prohibitive, especially given land costs in San Francisco and the commitment to keeping enrollment costs affordable.

A more realistic LOS target identified by the City (OECE staff) is to maintain the current provision level. The current number of spaces represents 37 percent of total infant and toddler childcare demand, and the City aims to maintain slots for 37 percent of infant and toddler demand into 2020.

Infrastructure Shortfall and Gap Analysis

No shortfall exists at the current time, given that the metric target suggests maintaining current provision into the future. By 2020, given population projections, there would be an additional new infant and toddler demand

for approximately 2,500 slots. Serving 37 percent of this demand, as per the level of service, would require approximately 940 additional slots to be provided.

Percent of Preschooler (3-5 Years) Childcare Demand Served by Available Slots

Table 14. Percent of Preschooler Childcare Demand Served by Available Slots – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> With almost 15,000 slots, 99.6 percent of preschooler childcare demand can be accommodated in existing slots 	<ul style="list-style-type: none"> Michele Rutherford, Program Manager for San Francisco HSA¹ AECOM's childcare demand estimates (refer to the appendix Childcare Demand Calculations)
Long-term Aspirational Goal	<ul style="list-style-type: none"> Slots to accommodate 100 percent of preschoolers 	<ul style="list-style-type: none"> CPAC, OECE staff
Short-term Target	<ul style="list-style-type: none"> Slots to accommodate 99.6 percent of preschoolers; target is to maintain existing service levels 	<ul style="list-style-type: none"> CPAC, OECE staff

The City currently licenses just over 14,600 slots for preschool age children. The number of preschoolers needing licensed care in San Francisco is approximately 14,700. The available slots represent 99.6 percent of the preschool age childcare demand.

With Proposition H in California in 2004, and the more recent growing political precedent for the PFA initiative, the City aims to provide universal preschool. PFA, or universal preschool, means quality, affordable preschool within the City for all preschool age (4-year-old) children – not just those demanding childcare. This aspirational goal is tempered slightly to achieve a realistic goal of maintaining the existing service level, at 99.6 percent of preschooler childcare demand. Should a PFA initiative pass, the City (and/or the School District) may play an increasingly important role in preschool provision, likely becoming more involved in both the capital development and ongoing operations and maintenance support of such a program. Without such a mandated program, CPAC will continue to support existing and new providers through capital funding support to encourage slot development.

Infrastructure Shortfall and Gap Analysis

No shortfall exists at the current time, given that the metric target is based on maintaining the current provision into the future. By 2020, given population projections, there would be an additional new preschooler childcare demand for 2,256 slots. Serving 99.6 percent of this demand, as per the level of service, would require 2,247 additional preschooler childcare slots to be provided.

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6. STREETScape AND PEDESTRIAN INFRASTRUCTURE



Streetscape and pedestrian infrastructure, like recreation and open space, is one of the infrastructure types that has received a significant amount of thought, public outreach, and organization from the City. This section will explore the components of streetscape and pedestrian infrastructure, such as sidewalk width, street trees, intersection safety, lighting, and bulb-outs, as potential metrics. However, given the data gaps and complexities of these streetscape components, and because streetscape and pedestrian infrastructure does not cover a standardized set of infrastructure facilities, a

proxy metric of improved sidewalk square footage per service population is developed. The policy documents referenced in this section are noted in Table 15, and appended.

Table 15. Key Streetscape and Pedestrian Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Better Streets Plan (BSP)	Planning Department	December 2010	Adopted	<ul style="list-style-type: none"> • Overview of recommended streetscape and pedestrian infrastructure elements • Sidewalk width recommendations by street typology • Street tree spacing recommendation • Lighting provision recommendations
Financing San Francisco's Urban Forest	DPW, Planning Department	October 2012	Final report	<ul style="list-style-type: none"> • Survey of existing street trees • Street tree growth plan
WalkFirst	DPH, SFMTA, Planning Department, San Francisco County Transportation Authority	October 2011	Draft policy to be included in update of Transportation Element of the General Plan	<ul style="list-style-type: none"> • High-injury density corridor maps and scoring • Pedestrian improvement prioritization

Source: AECOM, 2013

BACKGROUND

The 2010 San Francisco Better Streets Plan (BSP), along with Section 2.4.13 of San Francisco's Public Works Code, articulates the concept of "complete streets" for San Francisco.⁴⁰ With guidelines for the design of the pedestrian environment, the BSP puts forward streetscape specifications which balance the needs of all street users. Safety, creation of social space on the sidewalk, and pedestrian aesthetic are broadly the three motivators underlying the BSP recommendations. Key components identified in the BSP include sidewalk widths, street trees, intersection safety, street lighting, and bulb-outs. With the exception of sidewalk width, only limited data is available for each of these elements, allowing for an incomplete measure of their provision.

Sidewalks represent the foundation of pedestrian infrastructure, providing a path of travel and a canvas for place-making. The width of the sidewalk informs the opportunities: wider sidewalks affect pedestrian capacity, pedestrian comfort, and sidewalk amenities, affording more space for landscaping and other streetscape elements. The BSP provides clear direction on sidewalk widths for various street types, providing both a minimum width and a recommended width. Minimum sidewalk widths range from 6 feet on alleys, to 12 feet on park edge streets. Currently, roughly 91 percent of all city sidewalks meet the minimum width cited in the BSP.⁴¹ By comparison, the recommended widths range from 9 feet on alleys to 24 feet on park edge streets. Currently, roughly 75 percent of all city sidewalks meet the recommended BSP width. While neither the minimum nor recommended width is always practically achievable given other operational constraints of particular streets, these metrics provide a reasonable census of the City's current sidewalk infrastructure.

Street trees are the archetypical street landscaping element and contribute to the pedestrian environment in a number of ways. Tree-lined streets are perceived as more narrow, which slows driving speeds along the street thus impacting pedestrian safety. As well as calming traffic, tree-lined streets provide an enhanced urban aesthetic which can be reflected in increased property values of adjacent lots. Trees also shade the sidewalk and mitigate urban heat island effect. According to data from the Department of Public Works (DPW), there are currently approximately 105,000 trees in the right-of-way in San Francisco planted along more than 1,000 centerline miles of streets. DPW targets planting 55,000 new street trees by 2030, resulting in 160,000 total street trees.⁴² As a point of comparison, Vancouver, with a land area of roughly equal size to San Francisco, currently has an estimated 140,000 street trees and plans to plant an additional 150,000 trees by 2020.⁴³ Similarly, New York City has an ambitious Million Trees NYC program which aims to add an additional one million trees to the city's urban forest over the next decade.⁴⁴

Intersections represent one of the most significant risks to pedestrian safety. Injury and collision records at intersections can be used to determine high injury intersections. San Francisco's *WalkFirst* initiative, developed by the San Francisco Department of Public Health (DPH), defines so-called "high injury" corridors, based on

⁴⁰ Complete Streets are defined as streets which "are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders." Metropolitan Transportation Commission, "MTC One Bay Area Grant: Complete Streets Policy Development Workshop." 16 October 2012. Section 2.4.13 of San Francisco's Public Works Code outlines San Francisco's complete streets policy, including the construction of transit, bicycle, stormwater, and pedestrian improvements. Pedestrian environment improvements include sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements listed as defined in the Better Streets Plan.

⁴¹ AECOM internal analysis based on DPW database of sidewalk widths. Note that in some instances, given geometric or other constraints, some sidewalks may not be able to meet BSP minimum widths – therefore 100 percent compliance with the BSP sidewalk widths may not be possible. Note also that data is not available for all city streets. This study recommends further data collection.

⁴² AECOM, "Financing San Francisco's Urban Forest – The Benefits and Costs of a Comprehensive Street Tree Program." October 2012. Print.

⁴³ Canada. City of Vancouver. "Greenest City 2020 Action Plan." City of Vancouver, 2012. Web. 22 Jul. 2013. <http://vancouver.ca/files/cov/report-GC2020-implementation-20121016.pdf>

⁴⁴ Million Trees NYC. *Million Trees NYC*. MTNYC, 2013. <http://www.milliontreesnyc.org/html/home/home.shtml>

spatial injury data. In DPH's approach, high injury corridors, defined by number, severity, and density of injuries serve as a proxy for identifying intersections that operate at a deficit. These high injury corridors, and their associated 800 intersections, account for 6 percent of San Francisco's streets, but over 60 percent of all pedestrian injuries.⁴⁵ Where risks to pedestrians are high, a variety of treatments can be assessed to ameliorate the risk, including installing pedestrian signals, constructing bulb-outs, or adding bollards. Pedestrian safety upgrades would need to be individualized by intersection, given the unique dynamics and geometry of each intersection.

Street lighting is a major contributor to both pedestrian comfort and sidewalk safety. Security, as well as the perceived sense of security, is much higher on well-lit sidewalks than on poorly-lit or unlit sidewalks. Adequate lighting makes pedestrians feel more comfortable while walking at night, and reduces crime along the street. As well as improving safety, street lighting supports civic nighttime sidewalk activity, such as late-night street markets. However, no data exists on either the sidewalk lighting quality throughout the City or the appropriate spacing to achieve adequate light levels along sidewalks. With this data gap, no analysis of sidewalk lighting in the City can be performed.

Bulb-outs are extensions of the sidewalk into the parking lane, either at corners or mid-block locations. Bulb-outs narrow the roadway and extend the pedestrian space, which simultaneously slows traffic by creating a bottleneck, shortens crossing distance, and increases pedestrian visibility. Each of these effects increases pedestrian safety. Bulb-outs can also create space for more landscaping, street furniture, or high pedestrian volumes. The installation of bulb-outs needs to be assessed on a case-by-case basis; not all locations are suitable for bulb-outs, considering traffic characteristics (particularly the turning radii of large vehicles). While general bulb-out locations are recommended in the BSP, this study recommends further mapping of existing and proposed bulb-out locations. No blanket provision of bulb-outs would be appropriate, and currently no data exists to support analysis of bulb-outs.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, most City metrics regarding streetscape and pedestrian infrastructure focus on pedestrian access (i.e. availability of sidewalks and trails), the quality of the pedestrian experience, design and qualitative improvement, and measurement of mode share splits (Table 16 and Table 17). Some cities, like Portland and Vancouver do provide quantitative measures of provision, which help to evaluate progress towards their goals. In policy documents (particularly the BSP), San Francisco agencies provide few quantitative goals regarding streetscape and pedestrian infrastructure, but extensively discuss design guidelines and streetscape quality.

Table 16. Current LOS Provision Comparison – Streetscape and Pedestrian Infrastructure

San Francisco ¹	Minneapolis	Philadelphia	Portland	San Jose	Vancouver
<ul style="list-style-type: none"> • 105,000 existing street trees • 115 million square feet of sidewalk space 	<ul style="list-style-type: none"> • 92% of street have sidewalks 	<ul style="list-style-type: none"> • 131,000 existing street trees • 55 trees / mile of city street 	<ul style="list-style-type: none"> • 17% of canopy coverage over streets • 1,900 miles of sidewalk 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • 138,000 street trees • 2,400 km of sidewalks

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

⁴⁵ Lily Langlois, Planner with the San Francisco Planning Department in an email dated December 12, 2013.

Table 17. City LOS Goals Comparison - Streetscape and Pedestrian Infrastructure

San Francisco ¹	Minneapolis	Philadelphia	Portland	San Jose	Vancouver
<ul style="list-style-type: none"> • Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030 	<ul style="list-style-type: none"> • Few quantitative goals • Qualitative objectives, and design guidelines 	<ul style="list-style-type: none"> • Increase walk mode share from 8.6% to 12% by 2020 • Keep 70% of assets in good repair • Increase tree coverage to 30% (by adding 300,000 trees by 2025) 	<ul style="list-style-type: none"> • Neighborhoods must maintain citywide average for proportion of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails 	<ul style="list-style-type: none"> • 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete and accommodate pedestrians and bikes 	<ul style="list-style-type: none"> • Increase pedestrian mode share (66% of all trips to be by bike, walk, or transit by 2040) • By 2014, 2km of additional sidewalk

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

STREETSCAPE AND PEDESTRIAN INFRASTRUCTURE LOS METRIC

Because a complete streetscape environment is made up of many elements (street trees, bulb-outs, lighting, pedestrian signals, etc.) and because data for many of these elements is generally unavailable, an alternative proxy metric has been developed to evaluate current and future provision of streetscape and pedestrian infrastructure. The proxy metric used in this analysis is:

- Square feet of improved sidewalk per service population unit⁴⁶

‘Improved sidewalk’ is a term that encompasses sidewalk space and any amenities in that space, such as lighting, street trees, bulb-outs, and sidewalk furniture. While the proscription for streetscape elements is not uniform across San Francisco (i.e. the BSP calls for different streetscape and pedestrian infrastructure improvements depending on the site considerations, the street type, the traffic patterns, and so on), the intent of the BSP is to improve all San Francisco streetscape. Therefore, the basic square footage of sidewalk is denoted ‘improved sidewalk’ to reflect the investments the City is committed to make in the pedestrian right-of-way in terms of sidewalk widening, bulb-outs, signalized crosswalks, pedestrian lighting, trash cans, benches, trees, and so on.

Because data for provision of streetscape elements is generally unavailable and because the BSP does not clearly delineate improvement plans for every streetscape site and condition, a precise definition of ‘improved sidewalk’ is unavailable. The metric is discussed in the following sub-sections.

⁴⁶ For streetscape and pedestrian infrastructure, service population is calculated by assigning residents one point, and employees 0.5 points. For a more complete definition of service population see the Service Population Definition in the Appendix (p.83). Refer also to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

Square Feet of Improved Sidewalk Space

Table 18. Square Feet of Improved Sidewalk per Service Population Unit – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> 103 square feet of sidewalk per service population unit 	<ul style="list-style-type: none"> Planning Department and DPW data (see Table 29)
Long-term Aspirational Goal	<ul style="list-style-type: none"> 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision) 	<ul style="list-style-type: none"> Planning staff
Short-term Target	<ul style="list-style-type: none"> 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision) 	<ul style="list-style-type: none"> Planning staff

Citywide, San Francisco currently supplies 115 million square feet of sidewalk – or 103 square feet of sidewalk per service population unit. The LOS ranges greatly across different neighborhoods. The Financial District provides only 25 square feet of sidewalk per service population unit, while the West of Twin Peaks neighborhood provides as much as 483 square feet of sidewalk per service population unit. Noe Valley, at 138 square feet per service population unit is more representative of the citywide average (Figure 5). Implicitly, this metric acknowledges that streets with higher service population densities require more pedestrian infrastructure than streets with lower service population densities. Note that this approach, based on service population density, provides a good indicator of where deficiencies likely exist, but a block-by-block analysis would be needed to definitively assess sidewalk provision and deficiency.

Both the long-term LOS goal and the short-term LOS target are to maintain *and improve* the current 115 million square feet of streetscape and pedestrian infrastructure. Given population growth between now (2013) and 2030, the 2030 provision of streetscape and pedestrian infrastructure would be 88 square feet of improved sidewalk per service population unit.⁴⁷

Infrastructure Shortfall and Gap Analysis

The short-term (2030) LOS target is to improve all San Francisco streetscape. As such, there is no existing shortfall, but rather a commitment by the City, in accordance with the BSP, to invest in San Francisco streetscape and pedestrian infrastructure.

It should be made clear that this metric is intended to help set a framework for continued streetscape infrastructure evaluation. To develop this metric into a more robust representation of pedestrian and streetscape infrastructure provision in San Francisco, this report recommends collecting additional data on the larger suite of streetscape elements on a block-by-block basis. Such analysis would help ensure that

⁴⁷ Improving the 115 million square feet of streetscape and pedestrian infrastructure, given population growth through 2030 to 1,301,049 service population units, yields a LOS of 88 square feet per service population. Population and employment projections taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013 (Table 29). Note that in some streetscape and pedestrian infrastructure improvement projects, such as bulb-out construction or sidewalk widening, square footage will be added to the existing 115 million square feet of sidewalk space footage – although the new square footage from bulb-outs and the select instances of sidewalk widening will likely contribute only a small additional amount of additional streetscape square footage. In the absence of data on the estimated amount of additional streetscape square footage to be constructed, this metric assumes that streetscape improvements will maintain the existing square footage. The consultant recommends collecting robust data on streetscape square footage across the City, considering both existing square footage, projected square footage (via planned streetscape improvement projects), and actual post-construction square.

streetscape development in San Francisco contains all of the components important for a safe, walkable, and healthy streetscape. Defining 'improved sidewalk' with quantitative measures of lights per block, bulb-outs per intersection type, pedestrian signalization per intersection type, and so on, and collecting data per street segment, would allow a more precise definition of streetscape and pedestrian LOS. The BSP demonstrates the City's commitment to improving streetscape and pedestrian infrastructure (although the precise set of improvements will differ across projects, locations, and street types)⁴⁸, and AECOM recommends further data collection and more precise definition of streetscape and pedestrian infrastructure elements to facilitate BSP implementation. With more information, a more precise LOS metric can be defined that can better track the effect of streetscape improvement projects on the streetscape and pedestrian infrastructure provision.

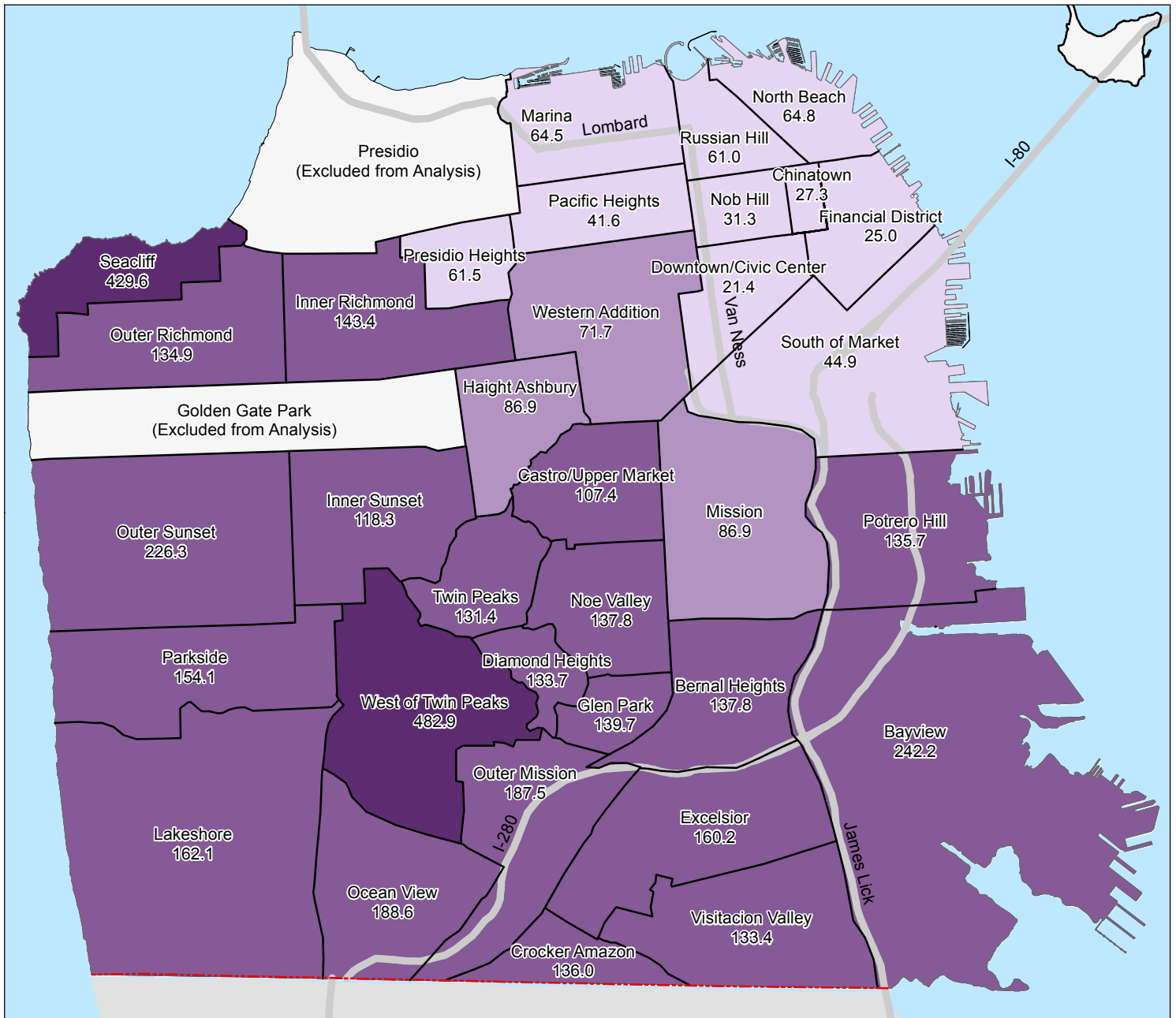
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

The following studies were identified in the LOS metric development process as potential next steps in the continued refinement of the City's streetscape and pedestrian infrastructure provision evaluation:

- Inventory of sidewalk improvement elements on a block-by-block basis
- Collection of sidewalk width data for missing 25 percent of streets
- Collection of sidewalk width data for both sides of streets
- Collection of more thorough street tree data including data for missing trees and mapping of street trees in medians
- Mapping of existing bulb-out locations
- Mapping of recommended and required bulb-out locations per the BSP street typologies
- Collection of data on pedestrian lighting, including locations and illumination
- Definition of a sidewalk lighting standard in terms of spacing of light poles

This additional data would allow the City to evaluate provision and distribution in greater detail.

⁴⁸ In some cases, given the site conditions, traffic patterns, built environment constraints, street type, and existing conditions, the streetscape and pedestrian infrastructure improvements may be a Do Nothing scenario.



Citywide Sidewalk Provision (2013)

Total Sidewalks* (Million Square Feet)	115
Total Improved Sidewalks (Square Miles)	4.1

LOS Metric - Sqare Feet of Sidewalk Per SPU**

Current Citywide Average (2013)	103
Short-term target (2030) - Sq. ft. of Improved Sidewalk Per SPU	88

Existing Citywide Shortfall (Square Feet)

Existing Citywide Shortfall (Square Feet)	-
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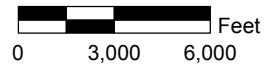
* Based on sidewalk data from DPW. Where data gaps exist, AECOM assumed sidewalks on only one side of the street and sidewalks with the average sidewalk width (10ft).
 ** Service Population Unit
 *** Improved sidewalk denotes sidewalk that, although not consistent or uniform in provision, has some pedestrian amenities (trees, lighting, bulb-outs, etc), rather than just pavement.

LEGEND

- County Boundary
- Neighborhoods
- Highways



NORTH



Scale: 1 inch = 6,000 feet
 Source: DPW, Planning

Sidewalk Provision (in square feet per service population unit)

- Below 65
- 65 - 103 (Citywide average, 2013)
- 103 - 300
- Above 300

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Figure 5. Square Feet of Sidewalk Area per Service Population Unit (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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7. BICYCLE INFRASTRUCTURE



Bicycle infrastructure complements the other transportation modes within the city, and San Francisco is working to increase the number of trips taken by bike and the number of people riding bikes. The following section will give background on the bicycle network in San Francisco, propose targets for bicycle network provision, and evaluate these targets. The policies referenced in this section are included in Table 19 below. This section relies heavily on the SFMTA Bicycle Strategy.⁴⁹

Table 19. Key Bicycle Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Bicycle Master Plan	SFMTA	June 2009	Adopted	<ul style="list-style-type: none"> • Overview of existing bicycle network • Overview of bicycle network objectives and planned development
SFMTA Bicycle Strategy	SFMTA	December 2012	Internal policy document; basis for 2014 CIP project list (pending adoption of CIP project list in April 2014)	<ul style="list-style-type: none"> • Overview of existing bicycle network • 3 potential scenarios for expansion of the bicycle network

Source: AECOM, 2013.

BACKGROUND

The City currently manages roughly 216 miles of bicycle network on the City's 1,030 centerline miles of road, with a bicycle mode share of approximately 3.5 percent.⁵⁰ In the past, the bicycle network has been classified according to the traditional Class I, II, III system which distinguishes bike routes by their decreasing level of separation from vehicle traffic. In consultation with the SFMTA, this traditional engineering classification system

⁴⁹ San Francisco Municipal Transportation Agency, "SFMTA Bicycle Strategy." January 2013. Print. While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the CIP project list to be put forward for board approval in April 2014 based on this document. Although no plans exist to take the 2013 Bicycle Strategy to the board for adoption, the project list derived from it will be taken to the board for CIP approval in April 2014.

⁵⁰ Mode share represents the percentage of all trips made by a particular mode – i.e. 3.5 percent of all trips are made by bicycle.

was deemed somewhat inadequate to describe all San Francisco bikeway types, since San Francisco is building new types of bikeway infrastructure that do not fit in the traditional classifications.⁵¹

Instead of the traditional classifications, San Francisco has developed its own Comfort Index to rate the bike network.⁵² The Comfort Index is a four-tiered categorization (LTS 1 to 4) that relates the accessibility of the bikeway to different rider skill levels (Figure 6): LTS 1 represents bikeways that any bicyclists would find comfortable including young children, seniors, disabled persons, and beginner cyclists; LTS 2 represents bikeways comfortable for most adults and experienced children; LTS 3 represents bikeways comfortable for intermediate and experienced adult riders, termed "enthusiastic and confident"; and LTS 4 represents bikeways comfortable only for "strong and fearless" riders. The classification is based on a variety of factors including proximity to rail, speed of adjacent traffic, type of existing facility, interaction with express buses, and proximity to highway on-ramps. While the existing bicycle network is approximately at full build-out, per the 2009 *Bicycle Master Plan*, SFMTA has expressed plans to upgrade existing routes to more "comfortable" class levels.

A typical measure of bicycle transportation is bicycle mode share. Mode share measures the percentage of all transportation trips that use a given "mode" – in this case, the percentage of all trips made by bicycle. As noted above, San Francisco currently has a bicycle mode share of approximately 3.5 percent, which it aims to increase to between 8 and 10 percent by 2018. While useful to evaluate how people are traveling, as a metric, mode share has no direct connection to infrastructure. A percentage point of mode share cannot defensibly be equated to miles of bikeway. Instead, in the Bike Strategy, SFMTA has identified the bike infrastructure necessary to move towards the City's target mode share. Note that the City has met the original planned provision of bicycle lanes in the 2009 *San Francisco Bicycle Plan* and is now working to improve the system and facilitate bicycle activity along the existing networks.

CASE STUDY COMPARISON: PROVISION AND METRICS

A review of LOS metrics and goals for other cities found that cities tend to evaluate their bicycle infrastructure provision either through the amount or length of bike lanes, or through a measurement of bicycle mode share (Table 20, Table 21). Some cities, such as Boston, Miami, and Philadelphia have also noted the importance of having, or working towards, some nationally-recognized bicycle status program. While San Francisco has developed strategic bicycle plans tailored to increase both quantity and quality of the city's bicycle network, the SFMTA does not have explicit LOS goals.

⁵¹ Heath Maddox, Senior Transportation Planner at SFMTA, via email received May 8, 2013.

⁵² San Francisco's Comfort Index is modeled off of the Level of Traffic Street (LTS) designation developed by the Mineta Transportation Institute.

Table 20. Current LOS Provision Comparison – Bicycle Infrastructure

San Francisco ¹	Boston	Miami	Philadelphia	Portland	Vancouver
<ul style="list-style-type: none"> • 216 miles of bike network • Current bicycle mode share of 3.5% 	<ul style="list-style-type: none"> • Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • Over 100 miles of bike network 	<ul style="list-style-type: none"> • 17.12 miles of bike network • 1.6% of street network 	<ul style="list-style-type: none"> • Approximately 20% of streets have bike network (2012) • 128 miles of bike network (2009) 	<ul style="list-style-type: none"> • 230 street miles of bike network 	<ul style="list-style-type: none"> • 280 miles of bike network • 100% of buses are bike-accessible

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

Table 21. City LOS Goals Comparison – Bicycle Infrastructure

San Francisco ¹	Boston	Miami	Philadelphia	Portland	Vancouver
<ul style="list-style-type: none"> • Bicycle Strategy Plan and network infrastructure improvements • Mode share increase from 3.5% to 8%-10% 	<ul style="list-style-type: none"> • 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network 	<ul style="list-style-type: none"> • 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status 	<ul style="list-style-type: none"> • Reduce bike accidents 50% by 2020 • Increase bike mode share from 1.6% to 6.5% • League of American Bicyclists "Platinum" (2013) • 70% of assets in good repair • Reduce VMT by 10% 	<ul style="list-style-type: none"> • 3% bike commuting trips • 630 miles of total bike network by 2030 • All areas must maintain citywide average for bike lane miles per 1,000 households 	<ul style="list-style-type: none"> • Increase bike mode share • Expand "all ages and abilities" bike network • Provide additional bike parking • 328 total miles in bike network as near-term goal
<ul style="list-style-type: none"> • 0.27 miles of bicycle network/ 1,000 residents 	<ul style="list-style-type: none"> • 0.68 miles of bicycle network/ 1,000 residents 	<ul style="list-style-type: none"> • 0.70 miles of bicycle network/ 1,000 residents 	<ul style="list-style-type: none"> • 0.36 miles of bicycle network/ 1,000 residents 	<ul style="list-style-type: none"> • 1.08 miles of bicycle network/ 1,000 residents 	<ul style="list-style-type: none"> • 0.54 miles of bicycle network/ 1,000 residents

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

BICYCLE INFRASTRUCTURE METRICS

In place of LOS metrics, SFMTA prepared a list of infrastructure improvement targets, in line with what has been developed as part of the Bicycle Strategy. The following four infrastructure facilities make up the critical elements of the most recent Bicycle Strategy:

- Premium (LTS 1 and 2) network miles
- Upgraded intersections
- Bicycle parking spaces
- Bicycle share program (bikes and accompanying stations)

San Francisco's goal for bicycle transportation is to achieve 8 to 10 percent mode share. The Bicycle Strategy, created through the diligent and thoughtful work of the SFMTA, outlines the steps SFMTA must take to achieve

their goal. For this reason, no new bicycle infrastructure metrics are proposed; instead, the scenarios proposed by SFMTA are adopted as targets for bicycle infrastructure, as the means to achieve their mode share end.

For each of the infrastructure elements, the long-term aspirational goal is based on SFMTA's *System Build-out Scenario*, as outlined in the SFMTA Bicycle Strategy, which represents the full realization of the desired bike network for San Francisco. This scenario would cost over \$600 million, increasing bicycle mode share to more than 15 percent. The short-term targets are based on the "*Bicycle Plan Plus*" Scenario and represent a more reasonable goal by 2018. The targets are expected to cost roughly \$60 million by 2018, helping to increase bicycle mode share to between 8 and 10 percent.⁵³

⁵³ United States. San Francisco Municipal Transportation Agency (SFMTA). "SFMTA Bicycle Strategy." SFMTA, Dec. 2012. Print.



Bicycle Network Provision (2013)

Total Bicycle Network (Miles)	216
LTS 1	16
LTS 2	35
LTS 3	121
LTS 4	44

LOS Metric - % Premium Facilities* within Bike Network

Current Citywide Average (2013)	24%
Short-term Target (2018)**	27%
Projected Citywide Shortfall (Miles of Bikeway)	10

* Premium facilities are bikeways of class LTS 1 or LTS 2

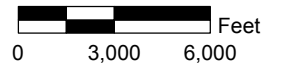
** Percentage accounts for 10 new miles of planned bikeways

LEGEND

- - - County Boundary
- Neighborhoods
- Highways



NORTH



Scale: 1 inch = 6,000 feet

Source: San Francisco MTA

Comfort Level According to San Francisco's Comfort Index

- LTS 1 (Comfortable for all user groups)
- LTS 2 (Comfortable for most adults/experienced youth)
- LTS 3 (Comfortable for intermediate and experienced adults)
- LTS 4 (Tolerated only by the 'strong and fearless')



Figure 6. Bicycle Network Provision by Comfort Index (2013)

San Francisco Infrastructure Level of Service Analysis

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Table 22 summarizes the individual long-term infrastructure goals and short-term targets for each element.

Table 22. Bicycle Infrastructure – Network Provision and Targets

Infrastructure Measure	Value	Source
Premium Network Miles		
Current Citywide Provision	• 51 miles	• SFMTA Data (see Table 29)
Long-term Aspirational Goal	• 251 miles (200 additional miles)	• SFMTA Bicycle Strategy, p21, <i>System Build-out Scenario</i> ,
Short-term Target (2018)	• 61 miles (10 additional miles)	• SFMTA Bicycle Strategy, p21, <i>Bicycle Plan Plus Scenario</i>
Upgraded Intersections		
Current Citywide Provision	• 3 intersections	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 203 intersections (200 additional intersections)	• SFMTA Bicycle Strategy, p21, <i>System Build-out Scenario</i> ,
Short-term Target (2018)	• 13 intersections (10 additional intersections)	• SFMTA Bicycle Strategy, p21, <i>Bicycle Plan Plus Scenario</i>
Bicycle Parking Spaces		
Current Citywide Provision	• 8,800 spaces	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 58,000 spaces (50,000 additional spaces)	• SFMTA Bicycle Strategy, p21, <i>System Build-out Scenario</i> ,
Short-term Target (2018)	• 12,800 spaces (4,000 additional space)	• SFMTA Bicycle Strategy, p21, <i>Bicycle Plan Plus Scenario</i>
Bicycle Sharing Program		
Current Citywide Provision	• 0 bicycles (and sharing stations)	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 3,000 bicycles and 300 sharing stations (all net new)	• SFMTA Bicycle Strategy, p21, <i>System Build-out Scenario</i> ,
Short-term Target (2018)	• 500 bicycles and 50 sharing stations (all net new)	• SFMTA Bicycle Strategy, p21, <i>Bicycle Plan Plus Scenario</i>

Infrastructure Shortfall and Gap Analysis

Assuming the proposed improvements take place between now (2013) and 2018, the City will achieve stated short-term targets. The city has built all of the proposed bike-miles in the 2009 *Bicycle Master Plan* and will now work towards the targets set by the *Bicycle Plan Plus* scenario in the *Bicycle Strategy*.

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8. TRANSIT INFRASTRUCTURE



Like bicycle and pedestrian infrastructure, transit infrastructure complements the other transportation modes within the city. San Francisco aims to increase transit's mode share.⁵⁴ The following section provides a background on San Francisco's transit infrastructure and reviews previously determined metrics and targets for transit network provision. The policy referenced in this section is noted in Table 23 below.

Table 23. Key Transit Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Transportation Sustainability Fee Nexus Study	SFMTA	March 2012	Draft report	<ul style="list-style-type: none"> Transit performance metrics and targets (both transit crowding and travel time)

Source: AECOM, 2013

BACKGROUND

The SFMTA's 2012 *San Francisco Transportation Sustainability Fee Nexus Study* is an important guiding document for the evaluation of San Francisco's transit system. The evaluation of transit infrastructure defers to this report and its subsequent updates.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, the most common measures of transit provision are percent mode share, ridership counts, transit load (crowding), and travel time (Table 24).

While these make helpful goals, none of the cities reviewed make their current provision of these metrics readily available (Table 24) making it difficult to evaluate how well they are currently providing transit infrastructure. In its *Transportation Sustainability Fee Nexus Study*, SFMTA measures two of these common metrics, which are directly applied in this study.

⁵⁴ Mode share represents the percentage of all trips made by a particular mode – in this case, the percent of all trips made by transit.

Table 24. Current LOS Provision Comparison – Transit

San Francisco ¹	Portland	San Diego	Vancouver
Travel Time			
<ul style="list-style-type: none"> Average 33.7 minutes per transit travel time 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Approximately 15% of transit trips shorter than 30 minutes (compared to 8% currently) 	<ul style="list-style-type: none"> N/A
Transit Crowding			
<ul style="list-style-type: none"> 85% transit crowding target 	<ul style="list-style-type: none"> Transit load factor greater than 100% 19% transit commuting trips 	<ul style="list-style-type: none"> Increased ridership and having an attractive, convenient transit system 	<ul style="list-style-type: none"> Increase transit mode share

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 30 and Table 31 for additional cities).

TRANSIT LOS METRICS

The SFMTA's 2012 *San Francisco Transportation Sustainability Fee Nexus Study* is an important guiding document for the evaluation of San Francisco's transit system. Two key performance metrics are identified to measure the City's success in meeting its target LOS. While these two metrics were specifically applied to develop an appropriate nexus, SFMTA supports the use of the metrics for LOS evaluation as well. Because of the nature of transit travel in San Francisco, both of these metrics are calculated at the citywide level. The two metrics are:

- Transit crowding
- Transit travel time

Not only are the two metrics quantitatively evaluated by SF-CHAMP, the City's travel demand model, but together these two metrics measure the true impact of new development on the City's transit system.

Transit Crowding

Table 25. Transit Crowding – Network Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-7 to 5-9
Long-term Aspirational Goal	<ul style="list-style-type: none"> N/A 	
Short-term Target (2018)	<ul style="list-style-type: none"> 85% transit crowding 	

The transit crowding metric – also known as the transit system load factor – measures “transit capacity utilization,” calculated as transit demand (ridership) as a percentage of capacity. The capacity of a transit

vehicle includes the total number of seats as well as additional standing room. *The current LOS provision is currently being developed and is not included in this report.*

The SFMTA uses a transit crowding of 85 percent to identify overcrowded conditions on a bus route or rail line at any given time. This LOS target was used in the transit nexus analysis to develop an appropriate fee level. As a point of comparison, Portland targets a transit system load factor of 100 percent.⁵⁵

Infrastructure Shortfall and Gap Analysis

Individual route and existing citywide information is not available for this metric. *Additional information on the system-wide shortfall will be available once the transit system evaluation process currently underway is completed.*

Transit Travel Time

SFMTA uses transit travel time as useful metric to evaluate the transit system's performance. The metric helps account for impacts of development on the system, and is used in transit policy and planning. The metric is calculated by dividing total person transit time by total transit trips.

Table 26. Transit Travel Time – Network Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	<ul style="list-style-type: none"> 33.7 minutes per average travel time 	<ul style="list-style-type: none"> San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-9 to 5-11
Long-term Aspirational Goal	<ul style="list-style-type: none"> N/A 	
Short-term Target (2018)	<ul style="list-style-type: none"> 33.6 minutes per average travel time 	

As of 2010, the average system-wide transit travel time was approximately 33.7 minutes. This is a door-to-door measurement and includes walking to a transit stop, waiting for the vehicle, and walking from the stop to the destination.⁵⁶

By 2030, SFMTA is aiming for an average transit travel time of 33.6 minutes, roughly the same as it now provides.

Infrastructure Shortfall and Gap Analysis

The transit travel time provided in 2010 was seen as adequate. However, in its 2012 *San Francisco Transportation Sustainability Fee Nexus Study*, SFMTA has identified a number of projects that must be built in order to sustain the LOS target put forth. These projects aim to address expected increased development and service population within San Francisco.

⁵⁵ United States. City of Portland. Portland Bureau of Transportation. "Transportation System Plan, Chapter 5 – Modal Plans and Management Plans." City of Portland, 4 May 2007. Web. 22 Jul. 2013. <http://www.portlandoregon.gov/transportation/article/370479>

⁵⁶ Cambridge Systematics, Inc., Urban Economics, et al. "San Francisco Transportation Sustainability Fee Nexus Study." March 2012. Print.

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9. SOCIOECONOMIC VULNERABILITY

While the metrics presented in this report intend to evaluate LOS and provisional distribution of the various infrastructure categories, the metrics are unable to consider all of the factors that might affect project prioritization. Evaluating socioeconomic indicators can be a useful tool to provide additional information about a neighborhood's general level of "vulnerability." Vulnerable populations often do not have the resources to access private amenities such as private transportation or private recreation facilities, creating a greater need for public facilities and services in these communities. For the purposes of this study, five socioeconomic indicators have been evaluated at both the tract and neighborhood level:

1. Unemployment rate
2. Household income
3. Age – Youth population (0-14)
4. Age – Elderly population (65+)
5. Minority population (>50% non-white)

The results of the individual socioeconomic indicators are presented by neighborhood in the Appendix (Table 32-Table 35).

In order to measure the overall vulnerability of a tract, these five indicators are consolidated, each receiving one point for the following measures. This point distribution assigns equal importance to each of the indicators. While this may over or under emphasize the importance of one of the indicators, it provides a starting point to evaluate neighborhoods. As a result, tracts receive a score from zero to five, zero being least vulnerable, and five being most vulnerable.

- **Unemployment rate** – Neighborhoods with civilian unemployment rates above 150 percent of the citywide average.⁵⁷
- **Average household income** – Neighborhoods that have a greater share of households under 80 percent of the area median income (AMI) than the households in the city on average.⁵⁸
- **Youth** – Neighborhoods whose youth (0-14) population as a percentage of total population is 150 percent of the ratio citywide.⁵⁹

⁵⁷In 2010, the citywide unemployment rate was 7 percent. One hundred and fifty percent of the citywide average is 11 percent (2010 ACS).

⁵⁸With an average household size of 3.0 people, the citywide 80 percent AMI for 2010 was \$71,550. Source: <http://sf-moh.org/Modules/ShowDocument.aspx?documentid=4614>

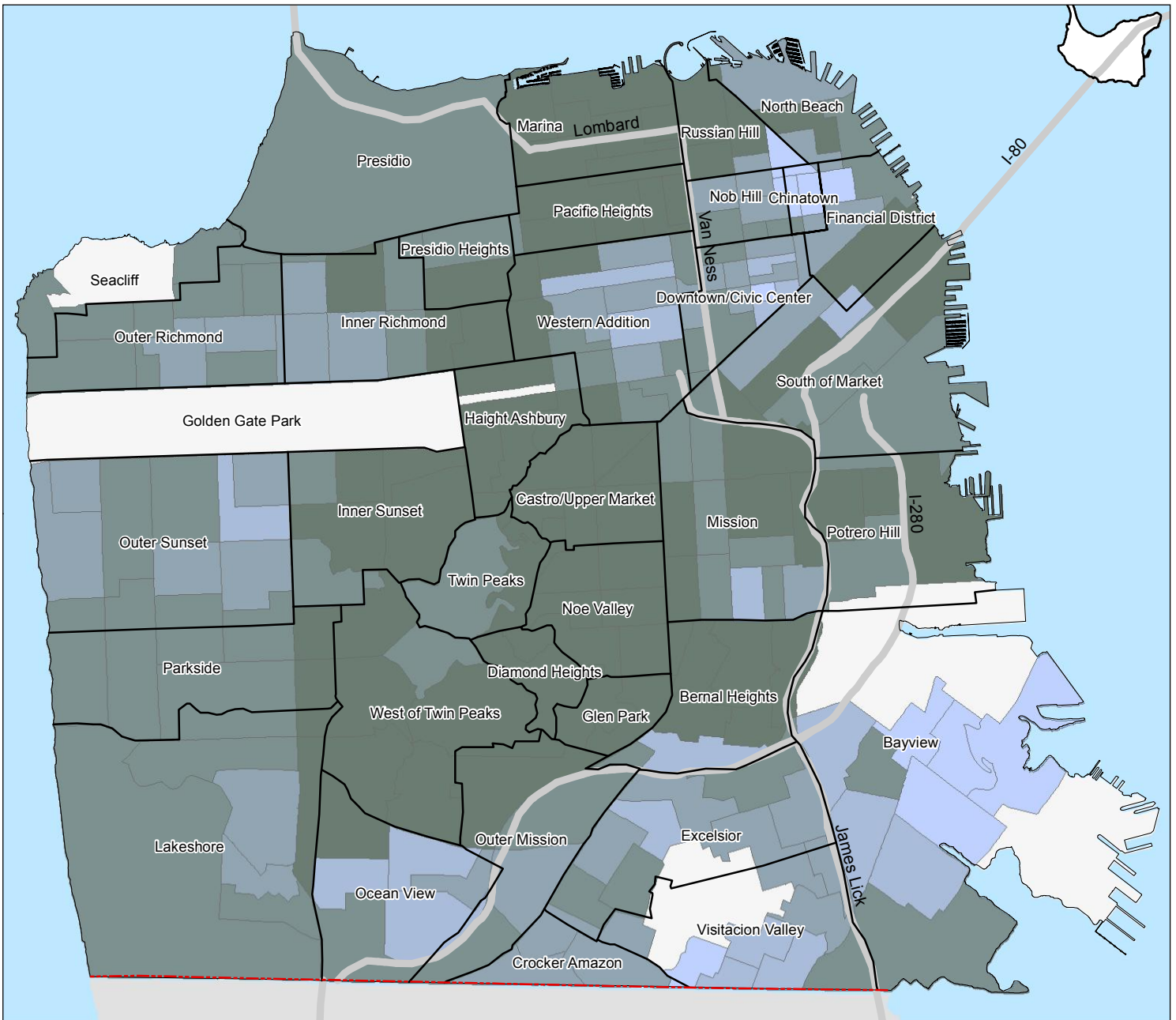
⁵⁹In 2010, the citywide youth (0-14) rate was 11 percent. One hundred and fifty percent of the citywide average is 17 percent (Source: U.S. Census).

-
- **Elderly** – Neighborhoods whose elderly (65+) population as a percentage of total population is 150 percent of the ratio citywide.⁶⁰
 - **Minority** – Neighborhoods with greater than 50 percent non-white (minority) population by race.⁶¹

As highlighted in Figure 7, the City's most vulnerable tracts are disproportionately concentrated in Bayview, Excelsior, Visitacion Valley, and Chinatown neighborhoods. These areas may receive special consideration to ensure that their infrastructure needs are met.

⁶⁰ In 2010, the citywide elderly (65+) rate was 14 percent. One hundred and fifty percent of the citywide average is 20 percent (Source: U.S. Census).

⁶¹ In 2010, 52 percent of the city's residents were non-white (Source: U.S. Census).



Five Socio-Economic Indicators of Vulnerability

- a Unemployment rate
- b Household income
- c Age - youth population (0-14)
- d Age - elderly population (65+)
- e Minority population (>50% non-white)

LEGEND

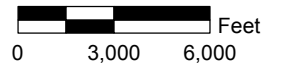
- County Boundary
- Neighborhoods
- Highways

Socio-Economic Vulnerability

- Census tracts omitted from analysis (ACS data gap)
- 5 (Most Vulnerable; no tract achieves score of 5)
- 4
- 3
- 2
- 1
- 0 (Least Vulnerable)



NORTH



Scale: 1 inch = 6,000 feet
Source: US Census Bureau, 2010



Figure 7. Socio-Economic Vulnerability (2013)
San Francisco Infrastructure Level of Service Analysis
February 2014

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10. PROJECT PRIORITIZATION, FINANCING, AND NEXT STEPS

Findings from Case Studies

Because LOS metrics are not often applied in the cities surveyed, the cities reviewed as part of this project have other methods of project prioritization.⁶² With a few exceptions, infrastructure improvements are typically prioritized at the department level rather than at the city level and are based on master plans or other guiding policy documents identifying “need” areas, funding availability, and construction or location synergies with other projects. Given financial constraints, improvements tend to be reactive and opportunistic rather than proactive or guided by clear prioritization. Improvements can also be tied to major development projects that cannot move forward without infrastructure improvements to support the project.⁶³ These can be performed on a case-by-case basis or through a development fee program which allows cities to charge development for the increased demand it will put on city infrastructure.

Of the reviewed cities, Vancouver, Portland, and San Diego provide examples of how infrastructure improvements are prioritized across agencies at a citywide level.

- In **Vancouver**, infrastructure improvements are guided by three key documents: (1) a 10-year capital strategic outlook plan, (2) a 3-year capital plan, and (3) an annual capital budget. Most interesting is the level of public involvement in shaping these documents. The 3-year capital plan involves extensive public outreach, including surveys that allow residents to vote on how to spend capital funds and prioritize

⁶² Note that cities with a comprehensive development fee program are required to consider long-range improvements to their capital infrastructure in order to develop a nexus between the development fee and future infrastructure needs. This is especially the case for expanding cities (e.g. Fairfield, Vacaville, etc.) which often consider how future subdivisions will impact their overall infrastructure. Prioritization is based partially in response to existing need but also in tandem with the construction and occupation of homes on the edge of their city. For example, roadway enhancements are often planned with the certification of occupancy permits. Cities, at their discretion, can allow the developer to build infrastructure as credit towards their development fee.

⁶³ A development fee program can incrementally accumulate capital funds to pay for neighborhood or citywide infrastructure shortfalls before certain infrastructure thresholds halt a given project. Rather than one project paying for the expansion of specific infrastructure because it was the unfortunate project to be timed with infrastructure at 100 percent of capacity, each project is paying its fair share, and then the pool of funds pays to maintain level of service standards.

improvements. This process provides concrete guidance on how funds should be spent and creates a very transparent and participatory process.

- **Portland** produces an annual Citywide Assets Report, which summarizes the provision and value of key infrastructure facilities (transportation, environmental services, water, parks, civil) and shows the funding shortfall. The document is intended to help provide a clear overview of Portland's infrastructure and asset management. One of the key tasks identified by the Report in 2009 was to develop service level targets for each of the participating bureaus – to be adopted, in part, in 2013. Much like San Francisco, it is intended that these service levels will be used to help prioritize infrastructure funding. This, however, remains a future goal, as bureaus are still developing and refining their service levels.
- In **San Diego**, the Public Facility Financing Fee system is tied to its community plans and General Plan which require a public process. The public facility financing fee system is reviewed annually by community planning groups, the Planning Commission, and City Council. The fees are based on public facilities in the community plans, which are based on the General Plan LOS standards.

For other cities that do not employ explicit LOS targets, goals are often woven into development fee programs, which set standards for new development. Other cities aim to maintain current LOS, although the cities do not always define what they are.

It should also be noted that the cities that do not currently use explicit LOS metrics or targets expressed significant interest in San Francisco's work and progress. Developing such targets and applying them to project prioritization will continue to support San Francisco's position as an innovative planning thought leader.

BRIEF FINANCING DISCUSSION

It is clear from the case studies that in other cities, much as in San Francisco, funding for infrastructure improvements is a constant concern. Projects tend to be financed through a number of sources. Capital budget, bonds, user fees, development fees, state and federal programs, private donations and grants, and development agreements all play an important role in maintaining adequate infrastructure facilities. State and local propositions have funded a number of citywide infrastructure initiatives in California⁶⁴, and local and regional sales tax initiatives have provided capital funds for transportation enhancements.⁶⁵

Depending on infrastructure type, various funding sources play larger roles. Transportation-related projects tend to qualify for more state and national funding sources, while some cities have had success with fundraising and private donations for their parks facilities. Portland, for example, is targeting private funds for 10 percent of its overall parks budget.

Other cities tend to rely more heavily on development to fund existing and projected infrastructure shortfalls. San Jose has negotiated relatively aggressive development agreements in which it receives a significant percentage of the increased land value when parcels are rezoned as part of the agreement. San Jose indicates that this is one of the few viable options available to them to support their infrastructure demands. This source of funding allows San Jose to apply the money towards existing deficiencies or repairs. Additionally, of course, a number of cities rely on development impact fees for incremental infrastructure demand. A comparative

⁶⁴ Some recent propositions that have funded infrastructure initiatives are Propositions 1A -- the 2008 Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century; and San Francisco's Proposition 1B -- the Highway Safety, Traffic Reduction, Air Quality and Port Security Act.

⁶⁵ Three transportation sales taxes in San Jose generate \$270 million annually (in 2013) and are distributed through the Santa Clara Valley Transit Authority. United States. Santa Clara Valley Transit Authority (VTA). "Adopted Biennial Budget- Fiscal Years 2013 and 2013." VTA, 2011-2013. Web. 22 Jul. 2013. http://www.vta.org/inside/budget/FY12_and_FY13_Budget_Book.pdf

analysis of impact fees for childcare, streetscape, and park infrastructure was developed for twenty-two cities throughout California in the 2008 *City & County of San Francisco Citywide Development Impact Fee Study*.⁶⁶ Citywide impact fees for recreation and open space are most common in the surveyed cities, followed by streetscape and pedestrian infrastructure fees. Only one city, Concord, charged impact fees for childcare. As impact fees are tied to an implied LOS target, the lack of impact fees for streetscape and childcare provision support the findings of this report that LOS targets for provisions other than recreation and open space and, occasionally, transit infrastructure are rare.

It is important to note, that while most impact fees are charged at the citywide level, some cities, like San Francisco, have different fees applied at different levels. In San Diego, for example, development impact fees are primarily set at the community level and can vary widely across the city.

NEXT STEPS & IMPLICATIONS FOR NEXUS ANALYSIS

The LOS targets developed as part of this report will serve as useful starting points for the Nexus study. As indicated, while not all of the metrics and targets are appropriate for the Nexus study, setting agreed upon LOS helps to manage expectations and increase predictability for the city as well as potential developers.

The passage of AB 1600 in 1988 resulted in a framework for establishing development impact fees.⁶⁷ In general, there are two important factors to consider in developing any nexus analysis. First, AB 1600 requires that development impact fees only charge new development with the cost of providing infrastructure services required by the additional development. Cities are not allowed to apply development impact fees to pay for existing shortfalls. Where this study identifies infrastructure shortfalls that do not reach citywide LOS goals, the City remains responsible for managing those shortfalls. As a result, the LOS goals provide guidance for future development's share of the total infrastructure need.

Second, AB 1600 indicates that the City must have a plan for how it is going to reach its proposed LOS target if it has not already been met. In other words, if the city is unable to meet the proposed LOS, the city cannot charge new development for this standard. Further, development fees should pay specifically for capital improvements and not for the ongoing operations and maintenance of existing facilities, since the fees are intended to accommodate the facility demand of the new service population. Fees going to operations and maintenance do not permanently resolve ongoing facility needs of the new populations.

Operation and Maintenance Resources

Maintaining a realistic LOS becomes an important part of both evaluating provision and applying the target to a nexus analysis.

Although nexus fees focus on capital costs, ongoing revenue to operate and maintain the infrastructure investments is equally important. Cities, especially in California under Proposition 13, continually struggle with the ongoing maintenance of their community facilities and infrastructure assets. General Fund dollars are limited, and, during recession periods, cities make hard choices about maintaining, say, adequate police and fire services, or ongoing maintenance/repairs in sidewalks, parks, and street trees. As a caution, setting level of service goals too high can ultimately undermine the capital investments as they slowly depreciate and become

⁶⁶ FCS Group. "City & County of San Francisco Citywide Development Impact Fee Study, Chapter III." March 2008. Print.

⁶⁷ Before AB 1600, the 1975 Quimby Act established the right of cities to require developers to mitigate the impacts of development, specifically on neighborhood and community park demand.

deteriorating public assets that don't serve their initial purpose. Modest capital planning in concert with secured operation and maintenance revenue provides a more prudent and fiscally-sustainable course.

Special taxes (such as parcel taxes, lighting and landscape districts, business improvement districts, and community benefits districts) can support the ongoing maintenance of capital facilities, although they can be difficult to pass considering the two-thirds voter requirements in California.

11. APPENDICES

SERVICE POPULATION DEFINITION






The term **Service Population Units** refers to the number of people, or units, that are served by a given infrastructure type. The service population for each infrastructure category is shown below in Table 27.

Service population units are calculated in this study as one times the resident population plus one-half times the employee population, setting up a 1:0.5 ratio of intensity of use between residents and employees. This ratio reflects the fact that both residents and employees require infrastructure, while discounting employees who typically use infrastructure less intensively than residents.

For recreation and open space, the service population unit calculation is slightly modified to a 1:0.19 ratio between residents and employees (i.e. service population units are equal to one times the resident population plus 0.19 times the employee population). This ratio applies a greater discount to employees, because recreation and open space is used much more at home than near work, as analyzed by the Hausrath Economics Group in a study entitled “Phoenix Park and Library EDU Factors Study” (September 2008).

A more detailed discussion of service population can be found in the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013).

Table 27. Service Population Per Infrastructure Category

Facility Type	LOS Metric	2013	Future Year	Growth
	Recreation and Open Space	2013	2030	Growth (2013 - 2030)
	Service Population	934,726	1,081,926	147,200
	Childcare	2013	2020	Growth (2013 - 2020)
	Service Population	N/A	N/A	N/A
	Streetscape and Pedestrian Infrastructure	2013	2030	Growth (2013 - 2030)
	Service Population	1,120,955	1,301,049	180,094
	Bicycle	2013	2020	Growth (2013 - 2020)
	Service Population	1,120,955	1,211,217	90,261
	Transit			
1	Service Population	N/A	N/A	N/A

Source: AECOM, 2013

CITYWIDE AND NEIGHBORHOOD POLICY DOCUMENTS

The following lists summarize the citywide and neighborhood-specific policy documents that were reviewed as part of the project effort. The policy documents served as a guide for the LOS metric and standard development. Full texts for the policy documents are included in a separate appendix file.

Citywide Policy and Planning Documents:

- FY 2009-10 Development Impact Fee Report (2009)
- San Francisco Citywide Development Impact Fee Register (January 2013)
- City & County of San Francisco Citywide Development Impact Fee Study (2008)
- Draft Capital Plan Fiscal Years 2014-2023 (2013)
- San Francisco Recreation & Open Space Element (2011)
- San Francisco Recreation and Park Department Acquisition Policy (2011)
- Child Care Nexus Study for City of San Francisco (2007)
- San Francisco Child Care Needs Assessment (2007)
- San Francisco Citywide Plan for Early Care and Education and Out of School Time (2012)
- San Francisco Better Streets Plan (2010)
- Walk First (2011)
- Financing San Francisco's Urban Forest (2012)
- San Francisco Bicycle Plan (2009)
- San Francisco Transportation Sustainability Fee Nexus Study (2012)
- San Francisco Transit Impact Development Fee (2011)

Neighborhood Specific Policy and Planning Documents:

- Eastern Neighborhoods Impact Fee and Affordable Housing Analysis (2008)
- Downtown San Francisco Park, Recreation, and Open Space Development Impact Fee Nexus Study (2012)
- The Market and Octavia Draft Community Improvements Program Document (2007)
- Rincon Hill Area Plan (of the General Plan) (2005)
- San Francisco Eastern Neighborhoods Nexus Study (2008)
- San Francisco General Plan Area Plans:
 - Balboa Park
 - Eastern Neighborhoods
 - Market and Octavia
 - Rincon Hill
 - Visitacion Valley
- Transit Center District Plan Transportation System Improvements Development Impact Fee Nexus Study (2012)
- Visitacion Valley Nexus Study (2010)
- Western SOMA Nexus Draft (2012)

CITYWIDE AGENCY STAKEHOLDERS

The findings in this report were developed in coordination with the following San Francisco agencies and stakeholders. AECOM relied on the agency stakeholders to provide feedback and guidance on the metrics and standards that were proposed either in existing policy documents, or based on additional research. All metrics and standards were ultimately approved by the agency stakeholders. All of the agencies and their respective stakeholders were identified by the client. Additional stakeholders were included as necessary.

Table 28. San Francisco Agency and Stakeholder Contributors

Infrastructure Type	San Francisco Agency	Key Stakeholders & Contacts
Recreation and Open Space Facilities	Recreation and Park Department (RPD)	<ul style="list-style-type: none"> • Karen Mauney-Brodek • Sue Exline (Planning Department) • Taylor Emerson • Stacy Bradley • Dawn Kamalanathan
Childcare Facilities	Office of Early Care and Education (OECE)	<ul style="list-style-type: none"> • Graham Dobson • Michelle Rutherford • Child Care Needs Assessment Committee
Streetscape and Pedestrian Infrastructure	Planning Department	<ul style="list-style-type: none"> • Adam Varat • Lily Langlois • Kearstin Dischinger
	Department of Public Works (DPW)	<ul style="list-style-type: none"> • Cristina Olea • Ananda Hirsch • John Dennis
Bicycle and Transit Infrastructure	Municipal Transportation Agency (MTA)	<ul style="list-style-type: none"> • Ariel McGinnis • Darton Ito • Grahm Satterwhite • Heath Maddox • Seleta Reynolds

Source: AECOM, 2013

METRIC AND MAP DATA SOURCES

Data sources used in the metrics and maps presented in this report include:

Table 29. Metric and Map Data Sources

Data	Data File Name	Source	Data Year
General Data			
Housing, population, and employment projections	LUA2012_JHC.lpk	Planning Department (Aksel Olsen, Planner/Geographer)	2012
Average household size	20130508_HHSizeByBuilding Size.xlsx	Planning Department (Aksel Olsen, Planner/Geographer)	<i>Current</i>
Census socioeconomic data	2010_Census_SanFrancisco.shp	Factfinder2.census.gov (American Fact Finder)	2010
Income levels by household size in San Francisco	2010 Maximum Income by Household Size	http://sf-moh.org/Modules/ShowDocument.aspx?documentid=4614	2010
Parks and Open Space			
Park acreage, location, ownership, and characteristics	OpenSpace.mdb	Planning Department (Mike Webster, Geographic Information Systems)	<i>Current</i>
Acreage and active/passive classification for RPD-owned parks	RPD_Parks.shp	Planning Department (Mike Webster, Geographic Information Systems)	<i>Current</i>
Childcare			
Licensed center-based childcare information	2.1Licensed ChildCare Capacity.xlsx	OECE (Graham Dobson, Administrative Analyst for ECE Policy)	2011
Family care center (FCC) childcare information	2.2FCCH Capacity.xlsx	OECE (Graham Dobson, Administrative Analyst for ECE Policy)	2011
Streetscape and Pedestrian Infrastructure			
Locations and characteristics of all traffic signals and flashing beacons maintained by SFMTA	Allsignals.shp	SFMTA (Gabriel Ho, Engineer)	<i>Current</i>
Sidewalk provision and widths	Stwidths.xls	DPW (Ananda Hirsch, Transportation Finance Analyst)	<i>Current</i>
Location of non-park trees	SFDPW_Trees.shp	Planning Department (Mike Webster, Geographic Information Systems)	<i>Current</i>
Street classifications	Streets_bsp.shp	Planning Department (Kearstin Dischinger, Senior Community Development Specialist)	<i>Current</i>
Intersection and injury information	PedVol.shp	SFMTA (Mari Hunter, Transit Planner)	2009 – 2010
Bicycle			
San Francisco bicycle network, with Comfort Index classifications (LTS 1 to 4)	ComfortIndex.shp	SFMTA (Andrew LEE, Senior Transportation Planner)	<i>Current</i>
Bicycle network in San Francisco, including Class I – III classifications	SFMTA Bikeway Network.shp	SFMTA (Charlie Ream, Urban Planner)	<i>Current</i>

Source: AECOM, 2013

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CASE STUDY TABLES

Table 30. Summary of Key Existing Quantitative LOS Provision by Case Study City

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Recreation and Open Space	<ul style="list-style-type: none"> Over 200 city-owned parks 6,600 acres of open space within city limits 3,600 acres of active space 	<ul style="list-style-type: none"> Over 7000 acres of open space 	<ul style="list-style-type: none"> 5% land area devoted to open space (800 acres) 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 60% of residents live within 10 minutes/0.5 mi of open space 	<ul style="list-style-type: none"> 70% of residents within 3 miles of full-service community center 75% of residents within ½ mile of park 	<ul style="list-style-type: none"> 2.8 acres per 1,000 for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> 92% of residents live within 5 minutes of green space
Acres / 1000 Residents (FY 2011)⁶⁸ [Includes city, county, metro, state, or federal public parkland within the city limits]	<ul style="list-style-type: none"> 6.6 acres / 1,000 residents (per Trust for Public Land Data) 8.1 acres per 1,000 residents per RPD data 	<ul style="list-style-type: none"> 7.6 acres / 1,000 residents 	<ul style="list-style-type: none"> 2.8 acres / 1,000 residents 	<ul style="list-style-type: none"> 13.3 acres / 1,000 residents 	<ul style="list-style-type: none"> 7.2 acres / 1,000 residents 	<ul style="list-style-type: none"> 24.6 acres / 1,000 residents (Intermediate -Low density city) 	<ul style="list-style-type: none"> 35.9 acres / 1,000 residents (Intermediate -Low density city) 	<ul style="list-style-type: none"> 16.5 acres / 1,000 residents 	<ul style="list-style-type: none"> 6.97 acres / 1,000 residents (without regional parks)

⁶⁸ "Acres of Parkland per 1,000 Residents, by City." *The Trust for Public Land*. The Trust for Public Land, 2011. Web. 22 Jul. 2013. http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Annual Spending per Resident (FY 2011)⁶⁹ [Capital and operational expenses]	• \$263 / resident	• \$110 / resident	• \$13 / resident	• \$227 / resident	• \$46 / resident	• \$151 / resident	• \$106 / resident	• \$118 / resident	• \$150 / resident
Childcare	<ul style="list-style-type: none"> • 2,951 licensed childcare spaces for infants and toddlers • 14,661 licensed childcare spaces for preschoolers 	• N/A	• 3 daycares run by P&R (grant-funded)	• N/A	• N/A	• N/A	• N/A	• N/A	<ul style="list-style-type: none"> • 53 Childcare facilities • 19% of all children have access to public care
Streetscape and Pedestrian Infrastructure	• 105,000 existing street trees	• N/A	• N/A	• 92% of streets have sidewalks	<ul style="list-style-type: none"> • 131,000 existing street trees • 55 trees / mile of city street 	<ul style="list-style-type: none"> • 17% of canopy coverage over streets • 1,900 miles of sidewalk 	<ul style="list-style-type: none"> • 3.5% average pedestrian commute mode share • 5,000 miles of sidewalk 	• N/A	<ul style="list-style-type: none"> • 138,000 street trees • 2,400 km of sidewalks

⁶⁹ "Total Spending on Parks and Recreation per Resident by City." *The Trust for Public Land*. The Trust for Public Land, 2011. Web. 22 Jul. 2013. http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4http://cityparksurvey.tpl.org/reports/report_display.asp?rid=7

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Bicycle Infrastructure	<ul style="list-style-type: none"> • 216 miles of bike network • Current bicycle mode share of 3.5% 	<ul style="list-style-type: none"> • Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • >100 miles of bike network 	<ul style="list-style-type: none"> • 17.12 miles of bike network • 1.6% of street network 	<ul style="list-style-type: none"> • ~20% of streets have bike network (2012) • 128 miles of bike network (2009) 	<ul style="list-style-type: none"> • 230 street miles of bike network 	<ul style="list-style-type: none"> • >300 miles of bike network 	<ul style="list-style-type: none"> • 511 miles of bike network 	<ul style="list-style-type: none"> • 200 miles of bike network 	<ul style="list-style-type: none"> • 280 miles of bike network • 100% of buses are bike-accessible
Miles of Bike Lane / 1,000 Residents (2010 census)	<ul style="list-style-type: none"> • 0.27 	<ul style="list-style-type: none"> • 0.16 	<ul style="list-style-type: none"> • 0.04 	<ul style="list-style-type: none"> • 0.33 	<ul style="list-style-type: none"> • 0.15 	<ul style="list-style-type: none"> • 0.51 	<ul style="list-style-type: none"> • 0.39 	<ul style="list-style-type: none"> • 0.21 	<ul style="list-style-type: none"> • 0.47
Miles of Bike Lane / 1,000 Residents / City Area (2010 census)	<ul style="list-style-type: none"> • 0.006 	<ul style="list-style-type: none"> • 0.003 	<ul style="list-style-type: none"> • 0.001 	<ul style="list-style-type: none"> • 0.006 	<ul style="list-style-type: none"> • 0.001 	<ul style="list-style-type: none"> • 0.004 	<ul style="list-style-type: none"> • 0.001 	<ul style="list-style-type: none"> • 0.001 	<ul style="list-style-type: none"> • 0.010
Transit Infrastructure	<ul style="list-style-type: none"> • Average 33.7 minutes per transit travel time 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • No citywide standard 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • No citywide standard 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A

Table 31. Summary of Key Quantitative LOS Goals by Case Study City (including San Francisco)

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Recreation and Open Space	<ul style="list-style-type: none"> • 10 minute / ½ mile access to open space for all residents • 0.5 acres / 1,000 residents within a ½ mile radius. 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • ¼ mile access to open space 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • 10 minute walk for 75% of residents by 2025 (0.5mi) • Add 500 acres by 2015 • 10 acres / 1,000 residents 	<ul style="list-style-type: none"> • By 2020, 1,870 more acres of park • 100% of residents within 3 miles of a community center • 100% of residents w/in ½ mile of park 	<ul style="list-style-type: none"> • 2.8 acres / 1,000 residents of neighborhood and community parks 	<ul style="list-style-type: none"> • 31 acres / 1,000 residents • 3.5 acres of community serving parks / 1,000 residents 	<ul style="list-style-type: none"> • 100% of residents within 5 min walk to green space, by 2020 • Plant 150,000 new trees by 2020
Childcare	<ul style="list-style-type: none"> • Few quantitative goals 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • 500 new spaces by 2014
Streetscape and Pedestrian Infrastructure	<ul style="list-style-type: none"> • Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030. 	<ul style="list-style-type: none"> • Few quantitative goals • Complete the pedestrian network 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • No quantitative standards • Qualitative objectives, and design guidelines 	<ul style="list-style-type: none"> • Reduce pedestrian accidents 50% by 2020 • Increase walk mode share from 8.6% to 12% by 2020 • Keep 70% of assets in good repair • Increase tree coverage to 30% (by adding 300,000 trees by 2025) 	<ul style="list-style-type: none"> • Neighborhoods must maintain citywide average for % of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails. 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete, accommodate pedestrian and bike 	<ul style="list-style-type: none"> • Increase pedestrian mode share (66% of all trips to be by bike, walk, or transit by 2040) • By 2014, 2km of additional sidewalk • Plant 150,000 new trees by 2020

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Bicycle Infrastructure	<ul style="list-style-type: none"> • 250 miles at build-out, 200 being premium facilities • 50,000 bike parking spaces • 200 upgraded intersections • 3000+ bicycle / 300+ station bike share program • 8%-10% mode share by 2018-2020 	<ul style="list-style-type: none"> • 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network 	<ul style="list-style-type: none"> • 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status 	<ul style="list-style-type: none"> • No current LOS goals • Aim to pass Complete Streets Policy • Add 183 miles within in 30 years (= 311 miles) 	<ul style="list-style-type: none"> • Reduce bike accidents 50% by 2020 • Increase bike mode share from 1.6% to 6.5% • League of American Bicyclists "Platinum" (2013) • 70% of assets in good repair • Reduce VMT by 10% 	<ul style="list-style-type: none"> • 3% bike commuting trips • 630 miles of total bike network by 2030 • All areas must maintain citywide average for bike lane miles per 1,000 households 	<ul style="list-style-type: none"> • 1,089.9 miles of proposed total bicycle network • Increased bicycle mode share 	<ul style="list-style-type: none"> • 450 miles of bike facilities proposed 	<ul style="list-style-type: none"> • Increase bike mode share • Expand 'all ages and abilities' bike network • Provide additional bike parking • 328 total miles in bike network as near-term goal
Bicycle miles / 1,000 Current Res. Goal⁷⁰	• 0.27	• 0.68	• 0.70	• 0.81	• 0.36	• 1.08	• 0.83	• 0.48	• 0.54
Transit Infrastructure	<ul style="list-style-type: none"> • 85% transit crowding target • Average 33.6 minutes per transit travel time 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • Transit load factor < 100% • 19% transit commuting trips 	<ul style="list-style-type: none"> • Increased ridership, and having an attractive, convenient transit system • ~15% of transit trips shorter than 30 minutes (compared to 8% BAU) 	<ul style="list-style-type: none"> • No quantitative goals 	<ul style="list-style-type: none"> • Increase transit mode share

⁷⁰ Calculated from proposed bicycle network length and current population.

SOCIOECONOMIC INDICATORS BY NEIGHBORHOOD

Table 32. Unemployment Rate Among Civilian Workforce by Neighborhood (2010)

Neighborhood	Total % Unemployment /1
Bayview	13%
Bernal Heights	7%
Castro/Upper Market	6%
Chinatown	14%
Crocker Amazon	11%
Diamond Heights	6%
Downtown/Civic Center	10%
Excelsior	9%
Financial District	7%
Glen Park	7%
Golden Gate Park	6%
Haight Ashbury	5%
Inner Richmond	7%
Inner Sunset	4%
Lakeshore	7%
Marina	5%
Mission	6%
Nob Hill	7%
Noe Valley	5%
North Beach	7%
Ocean View	10%
Outer Mission	6%
Outer Richmond	7%
Outer Sunset	7%
Pacific Heights	4%
Parkside	8%
Potrero Hill	7%
Presidio	3%
Presidio Heights	5%
Russian Hill	9%
Seacliff	7%
South of Market	6%
Treasure Island/YBI	13%
Twin Peaks	6%
Visitacion Valley	12%
West of Twin Peaks	5%
Western Addition	6%
Citywide Average	7%
150% of Citywide Average	11%

Source: 2010 American Community Survey

1. **XX** Indicates value above 150 percent of citywide average

Table 33. Percentage of Households below 80 Percent of the Citywide Area Median Income (AMI) (2010)

Neighborhood	Total % HH BELOW 80% Citywide AMI /1
Bayview	68%
Bernal Heights	41%
Castro/Upper Market	38%
Chinatown	84%
Crocker Amazon	50%
Diamond Heights	42%
Downtown/Civic Center	84%
Excelsior	51%
Financial District	55%
Glen Park	40%
Golden Gate Park	47%
Haight Ashbury	41%
Inner Richmond	50%
Inner Sunset	40%
Lakeshore	52%
Marina	33%
Mission	54%
Nob Hill	61%
Noe Valley	34%
North Beach	53%
Ocean View	49%
Outer Mission	43%
Outer Richmond	47%
Outer Sunset	49%
Pacific Heights	31%
Parkside	40%
Potrero Hill	33%
Presidio	35%
Presidio Heights	41%
Russian Hill	50%
Seacliff	36%
South of Market	51%
Treasure Island/YBI	68%
Twin Peaks	37%
Visitacion Valley	64%
West of Twin Peaks	31%
Western Addition	57%
Citywide Average	50%

Source: 2010 American Community Survey

1. **XX** Indicates value above citywide average

Table 34. Percentage of Children and Elderly by Neighborhood (2010)

Neighborhood	Population 0-14 /1	Population 65+ /1
Bayview	20%	11%
Bernal Heights	14%	11%
Castro/Upper Market	6%	10%
Chinatown	8%	26%
Crocker Amazon	15%	15%
Diamond Heights	13%	18%
Downtown/Civic Center	6%	13%
Excelsior	15%	15%
Financial District	6%	19%
Glen Park	14%	14%
Golden Gate Park	7%	9%
Haight Ashbury	9%	8%
Inner Richmond	11%	14%
Inner Sunset	11%	12%
Lakeshore	10%	14%
Marina	8%	13%
Mission	11%	9%
Nob Hill	5%	17%
Noe Valley	12%	10%
North Beach	8%	18%
Ocean View	14%	13%
Outer Mission	15%	14%
Outer Richmond	12%	17%
Outer Sunset	12%	16%
Pacific Heights	9%	14%
Parkside	13%	17%
Potrero Hill	13%	8%
Presidio	19%	4%
Presidio Heights	13%	18%
Russian Hill	6%	20%
Seacliff	14%	20%
South of Market	6%	10%
Treasure Island/YBI	14%	1%
Twin Peaks	8%	19%
Visitacion Valley	18%	13%
West of Twin Peaks	15%	18%
Western Addition	7%	16%
Citywide Average	11%	14%
150% Citywide Average	17%	20%

Source: 2010 U.S. Census

1. **XX** Indicates value above 150 percent of citywide average

Table 35. Percentage of Non-White (Minority) Population by Neighborhood (2010)

	% of Non-White (Minority) Population /1
Bayview	87%
Bernal Heights	42%
Castro/Upper Market	20%
Chinatown	81%
Crocker Amazon	79%
Diamond Heights	37%
Downtown/Civic Center	54%
Excelsior	74%
Financial District	58%
Glen Park	27%
Golden Gate Park	39%
Haight Ashbury	23%
Inner Richmond	49%
Inner Sunset	42%
Lakeshore	52%
Marina	16%
Mission	43%
Nob Hill	49%
Noe Valley	23%
North Beach	46%
Ocean View	78%
Outer Mission	68%
Outer Richmond	56%
Outer Sunset	65%
Pacific Heights	19%
Parkside	63%
Potrero Hill	35%
Presidio	23%
Presidio Heights	26%
Russian Hill	42%
Seacliff	43%
South of Market	53%
Treasure Island/YBI	65%
Twin Peaks	33%
Visitacion Valley	86%
West of Twin Peaks	41%
Western Addition	43%
Citywide Average	52%

Source: 2010 U.S. Census

1. **XX** Indicates value above citywide average

CHILDCARE DEMAND CALCULATIONS

Table 36: Existing (2013) Childcare Demand for Infant/Toddler Care (0-2)

* Measure	Value	Source/Calculation
Total Resident-Children		
A Total resident-children (0-2)	21,900	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Resident-Children (0-2) Needing Care Outside of San Francisco		
B Total Employed San Francisco Residents	446,800	U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C % Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D Total employed San Francisco Residents working outside San Francisco	100,530	B * C
E % of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F Resident-children needing childcare outside of San Francisco	5,027	D * E
G % of children ages 0-2	51%	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13; assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H Resident-children (0-2) needing childcare outside of San Francisco	2,544	F * G
Resident-Children (0-2) Needing Care in San Francisco		
I Total resident-children (0-2) potentially needing childcare	19,356	A - H
J Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K Children with working parents	11,200	I * J
L % children (0-2) with working parents needing licensed care	37%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M Total resident-children (0-2) needing licensed care in San Francisco	4,144	K * L
Non-Resident Children (0-2) Needing Care in San Francisco		
N Employees that live elsewhere but work in San Francisco	154,000	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O Estimated % of non-resident employees needing licensed childcare	5%	As above (E)
P Children needing licensed childcare	7,700	N * O
Q % of children ages 0 - 2	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R Non-resident employee's children (0-2) needing care in San Francisco	3,861	P * Q
Total Children (0-2) Needing Care in San Francisco		
S Total children (0-2) needing licensed care in San Francisco	8,005	M + R
Existing Supply		
T Current available spaces for children aged 0-2	2,951	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Existing LOS		
% of demand met by existing slots	37%	T / S

Table 37: Existing (2013) Childcare Demand for Preschooler Care (3-5)

* Measure	Value	Source/Calculation
Total Resident-Children		
A Total resident-children (3-5)	21,300	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Resident-Children (3-5) Needing Care Outside of San Francisco		
B Total Employed San Francisco Residents	446,800	U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C % Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D Total employed San Francisco Residents working outside San Francisco	100,530	B * C
E % of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F Resident-children needing childcare outside of San Francisco	5,027	D * E
G % of children ages 3-5	49%	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13; assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H Resident-children (3-5) needing childcare outside of San Francisco	2,483	F * G
Resident-Children (3-5) Needing Care in San Francisco		
I Total resident-children (3-5) potentially needing childcare	18,800	A - H
J Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K Children with working parents	10,878	I * J
L % children (3-5) needing licensed care	100%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M Total resident-children (3-5) needing licensed care in San Francisco	10,878	K * L
Non-Resident Children (3-5) Needing Care in San Francisco		
N Employees that live elsewhere but work in San Francisco	154,000	San Francisco Planning Department employment projections (as per Akseil Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O Estimated % of non-resident employees needing licensed childcare	5%	As above (see E)
P Children needing licensed childcare	7,700	N * O
Q % of children ages 3-5	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R Non-resident employee's children (3-5) needing care in San Francisco	3,839	P * Q
Total Children (3-5) Needing Care in San Francisco		
S Total children (3-5) needing licensed care in San Francisco	14,717	M + R
Existing Supply		
T Current available spaces for children (3-5)	14,661	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Existing LOS		
% of demand met by existing slots	99.6%	T / S

Table 38: Future (2020) Childcare Demand for Infant/Toddler Care (0-2)

*	Measure	Value	Source/Calculation
Total Resident-Children			
A	Total resident-children (0-2)	29,600	Planning Department population projections (as per Aksel Olsen, Geographer/Planner) times proportion of infants/toddlers based on Department of Finance projections (Report P-3)
Resident-Children (0-2) Needing Care Outside of San Francisco			
B	Total Employed San Francisco Residents	483,200	Employment projections from the San Francisco Planning Department (as per Aksel Olsen, Geographer/Planner), assuming the resident/non-resident employment split from the U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C	% Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D	Total employed San Francisco Residents working outside San Francisco	108,720	B * C
E	% of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F	Resident-children needing childcare outside of San Francisco	5,436	D * E
G	% of children ages 0-2	56%	Planning Department population projections (as per Aksel Olsen, Geographer/Planner) ;Department of Finance projections (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H	Resident-children (0-2) needing childcare outside of San Francisco	3,043	F * G
Resident-Children (0-2) Needing Care in San Francisco			
I	Total resident-children (0-2) potentially needing childcare	26,600	A - H
J	Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K	Children with working parents	15,391	I * J
L	% children (0-2) with working parents needing licensed care	37%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M	Total resident-children (0-2) needing licensed care in San Francisco	5,695	K * L
Non-Resident Children (0-2) Needing Care in San Francisco			
N	Employees that live elsewhere but work in San Francisco	194,300	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O	Estimated % of non-resident employees needing licensed childcare	5%	As above (E)
P	Children needing licensed childcare	9,715	N * O
Q	% of children ages 0 - 2	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R	Non-resident employee's children (0-2) needing care in San Francisco	4,839	P * Q
Total Children (0-2) Needing Care in San Francisco			
S	Total children (0-2) needing licensed care in San Francisco	10,534	M + R

Table 39: Future (2020) Childcare Demand for Preschooler Care (3-5)

* Measure	Value	Source/Calculation
Total Resident-Children		
A Total resident-children (3-5)	23,300	Planning Department population projections (as per Aksel Olsen) times proportion of infants/toddlers based on Department of Finance projections (Report P-3)
Resident-Children (3-5) Needing Care Outside of San Francisco		
B Total Employed San Francisco Residents	483,200	Employment projections from the San Francisco Planning Department (as per Aksel Olsen, Geographer/Planner), assuming the same split of resident-employees versus non-resident-employees as the U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C % Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D Total employed San Francisco Residents working outside San Francisco	108,720	B * C
E % of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F Resident-children needing childcare outside of San Francisco	5436	D * E
G % of children ages 3-5	44%	Planning Department population projections (as per Aksel Olsen, Geographer/Planner); Department of Finance projections (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H Resident-children (3-5) needing childcare outside of San Francisco	2,393	F * G
Resident-Children (3-5) Needing Care in San Francisco		
I Total resident-children (3-5) potentially needing childcare	20,907	A - H
J Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K Children with working parents	12,097	I * J
L % children (3-5) with working parents needing licensed care	100%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M Total resident-children (3-5) needing licensed care in San Francisco	12,097	K * L
Non-Resident Children (3-5) Needing Care in San Francisco		
N Employees that live elsewhere but work in San Francisco	194,300	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O Estimated % of non-resident employees needing licensed childcare	5%	As above (see E)
P Children needing licensed childcare	9,715	N * O
Q % of children ages 3-5	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R Non-resident employee's children (3-5) needing care in San Francisco	4,876	P * Q
Total Children (3-5) Needing Care in San Francisco		
S Total children (3-5) needing licensed care in San Francisco	16,973	M + R

San Francisco Citywide Nexus Analysis

March 2014



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LIST OF ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
AICCIE	Annual Infrastructure Construction Cost Inflation Estimate
BSP	San Francisco Better Streets Plan (2010)
CIP	Capital Improvement Program
CPAC	San Francisco Child Care Planning and Advisory Council
CPC	Capital Planning Committee
DOF	Department of Finance
DPW	Department of Public Works
FCCH	Family license care home
GSF	Gross square feet
LIIF	Low Income Investment Fund
LOS	Level(s) of service
LTS	Level of Traffic Stress
MTC	Metropolitan Transportation Commission
OECE	Office of Early Care and Education
PEQI	Pedestrian Environmental Quality Index
ROSE	Recreation and Open Space Element
RPD	San Francisco Recreation and Parks Department
SFMTA	San Francisco Municipal Transportation Agency
TIDF	Transit Impact Development Fee

1. Introduction

In 2013, AECOM was retained by the San Francisco Planning Department and the San Francisco Capital Improvements Program, with direction from the City Attorney's Office, to update the City's nexus analysis. This nexus analysis update was done in conjunction with AECOM's 2014 *San Francisco Infrastructure Level of Service Analysis* report¹, a study that established citywide provision standards for various infrastructure elements. The level of service (LOS) targets for infrastructure presented in this report build directly on the standards developed as part of the *San Francisco Infrastructure Level of Service Analysis* report, as well as existing nexus studies for certain infrastructure types for the City of San Francisco and the City's capital plan.

REPORT PURPOSE

The purpose of this report is to present the nexus analysis findings of new growth's connection (nexus) to facilities for recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure. This analysis measures the need for community infrastructure generated by new population and employment growth, using a methodology that meets the requirements for development impact fees under applicable law. The fee program estimates development's fair share of the City's new facility needs to maintain levels of service for community infrastructure that contribute to the livability and overall quality of life in San Francisco.

The citywide nexus analysis, building upon existing adopted nexus studies, aims to develop a consistent, standards-based methodology for most existing impact fees, thus facilitating the City's future administration of impact fees, including meeting the five year reporting and updating requirements.

The Planning Code currently covers more than 20 development impact fees – including several single-purpose fees and several community impact fees that were established as components of larger planning processes for the City's geographic Area Plans.² As a result of many separately developed impact fees, the City has revised the Planning Code to ensure that each program is administered consistently. The impact fees and the administrative procedures governing them are found in Article IV of the Planning Code. This study aims to further standardize the analysis supporting development impact fees (specifically for recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) to ensure consistent administration of existing and future development impact fees and their supporting studies.

In addition to developing a more standardized development impact fee assessment methodology, this study also satisfies the requirements of Section 410 of the City Planning Code which requires that all nexus studies be

¹ Although the report was finalized in 2014, the bulk of the analysis and report was produced in 2013.

² Area Plans, or Specific Area Plans, are detailed plans for city neighborhoods. Area Plans are identified in the City's General Plan, and include area-specific land use policies and regulations that guide development.

updated on a five year basis: the nexus analysis presented in this report aims to verify most impact fees in Article 4 of the Planning Code except those pertaining to affordable housing, community stabilization, libraries, and the Citywide Transportation Development Impact Fee. The nexus analysis complied with the requirements of the Mitigation Fee Act, and state and national constitutional law.

REPORT STRUCTURE

The remainder of the introduction will provide background on nexus fees, catalogue San Francisco's existing impact fees, outline the nexus fee determination methodology, and summarize the maximum supportable nexus fees. The following chapters of the report address each of the four infrastructure elements – recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure.³

BACKGROUND ON DEVELOPMENT IMPACT FEE PROGRAMS

Cities are authorized by law to levy development impact fees – which are monetary exactions, charged by a local government to a development applicant as a condition of approval for the development project. In most cases, the law requires the fee amount be reasonably related to the cost of the infrastructure provided by the government collecting the fee. The collected fee monies are allocated to pay for, or defray the costs of, the infrastructure improvements necessitated by the new development. Development impact fees may not be levied to pay for existing infrastructure deficiencies unrelated to the impacts of new development. Also a jurisdiction must normally legislatively adopt findings of a reasonable relationship between fee and impact to enact a fee program.

Although local governments began levying impact fees in the 1920s as a way to finance infrastructure, in 1987, the California legislature passed the Mitigation Fee Act (Assembly Bill 1600 or the Act) to establish principles governing impact fee exactions and, to some extent, codify existing constitutional requirements. The related Government Code Sections 66000-66025 establish legal requirements to implement a development fee program for fees that meet the terms of the Act. While not all of the fees analyzed in this report are necessarily subject to the Mitigation Fee Act, the City has concluded that, in most instances, establishing a nexus for any fee imposed by the City as a condition of development is prudent practice. According to the Act, to establish a development fee program, a jurisdiction must legislatively accept a nexus study that identifies:

- the **purpose** of any fees;
- how fees will be **used**;
- a **reasonable relationship** between the fee-funded infrastructure and the type of development paying the fee;
- a reasonable relationship between the **need** for particular infrastructure and the type of development paying the fee; and
- a reasonable relationship between the amount of the fee and the **proportionality** of the cost specifically attributed to development.

Development impact fees are common among California cities (including San Francisco) and are a well-accepted way to fund a variety of infrastructure such as recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure.

³ Note that a transit infrastructure fee study is currently being undertaken in an ongoing update of the 2012 *San Francisco Transportation Sustainability Fee Nexus Study*, and, is therefore omitted from this analysis.

EXISTING DEVELOPMENT IMPACT FEES

San Francisco currently has more than 20 development impact fees, many of which the City established as a component of a larger planning process (either at the city or neighborhood level), and supported by a specific nexus study. Some existing impact fees are single-issue fees imposed citywide or in a limited area; others are components of community infrastructure fees. Table 1 catalogues the existing impact fees in San Francisco for the four infrastructure components studied in this report (recreation and open space; childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure). In Table 1, single-issue fees for any of the four infrastructure items are reported, and community infrastructure fees are apportioned by infrastructure item.⁴ Table 1 also highlights the maximum fee charged in each infrastructure category.

Table 1. Existing Related Impact Fees in San Francisco for Four Infrastructure Categories (2013 Fee Rates)

Fee Area	Recreation and Open Space	Childcare	Streetscape and Pedestrian Infrastructure	Bicycle Infrastructure	Other ¹	Total Community Impact Fee, where relevant, 2013 ² (GSF)
Residential Fees (\$/GSF)						
Rincon Hill	\$2.85	\$0.00	\$6.66	-	-	\$9.51
Market and Octavia	\$2.12	\$0.83	\$4.12	\$0.05	\$2.83	\$9.95
Eastern Neighborhoods	\$8.85	\$1.24	\$0.35	-	\$7.26	\$17.70
Balboa Park	\$2.66	\$1.68	\$3.36	-	\$1.15	\$8.85
Maximum Residential Fee by Category (\$/GSF)	\$8.85	\$1.68	\$6.66	\$0.05	\$7.26	-
Commercial Fees (\$/GSF)						
Downtown Park Fee	\$2.21	-	-	-	-	-
Child Care: Citywide - Commercial	-	\$1.11	-	-	-	-
Transit Impact Development Fee (TIDF)					\$13.30	-
Market and Octavia	\$0.52	-	\$2.14	\$0.02	\$1.11	\$3.76
Eastern Neighborhoods	\$1.08	\$0.46	\$0.51	-	\$13.42	\$15.48
Balboa Park	\$0.50	\$0.32	\$0.63	-	\$0.22	\$1.66
Visitacion Valley	\$1.67	\$1.12	\$1.42		\$0.86	\$5.07
Maximum Commercial Fee by Category	\$2.21	\$1.12	\$2.14	\$0.02	\$13.42	-

Source: San Francisco Citywide Development Impact Fee Register, January 1, 2013, and the San Francisco Planning Department.

- Table 1 focuses on the four infrastructure categories analyzed in this nexus report. It does not include all fees included in Article 4 of the Planning Code (for example, it omits transit fees and affordable housing fees), or expenditures that are analyzed elsewhere (for example, it omits library fees, program administration, and transit fees).
- The City annually adjusts all developer impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE), as per Article 4 of the Planning Code.

The residential fees range across the neighborhoods from no fee (i.e., neighborhoods without community infrastructure fees) to almost \$18 per GSF; the commercial fees range across the neighborhoods from no fee (i.e.,

⁴ Apportionment of community infrastructure fees is based on the Planning Code (Section 4), as provided by Kearstin Dischinger, Senior Community Development Specialist of the Planning Department, in a spreadsheet entitled max_fee_by_Category_Planned.xls. This spreadsheet is appended for informational purposes.

neighborhoods without community infrastructure fees) to more than \$15 per GSF. Two additional downtown fees exist for childcare and parks, of \$1.11 and \$2.21 per GSF. A transit impact fee of as much as \$13.30 per GSF is also charged citywide.⁵

STANDARDS-BASED NEXUS METHODOLOGY

Impact fees can be calculated several ways, but the foundation of all methodologies is determining an appropriate level of infrastructure for future development, the cost to provide this infrastructure, and a reasonable relationship between growth and cost, by which to apportion the cost burden.

With one exception, this study focuses on a standards-based approach, which relies on an explicit infrastructure LOS to derive a maximum supportable fee level. A per-unit provision standard is established by the City – for example, a certain number of acres of open space per person (or service population unit⁶) – and subsequent development must adhere to the standard. The nexus fee for development is based on development's share of the cost to provide this level of provision.⁷ Applying standards-based metrics to impact fees allows the City to streamline the fee analysis process, creating a consistent methodology across all infrastructure types that can be easily understood, repeated and updated as necessary. This streamlined approach reduces costs, and strengthens the link between new development and demand for new infrastructure. Recreation and open space, childcare, and streetscape and pedestrian infrastructure nexus fees are established using this standards-based approach.

The *San Francisco Infrastructure Level of Service Analysis* report sets the foundation for the nexus, by exploring various metrics and LOS standards for select infrastructure items, and by providing a comprehensive study of San Francisco's infrastructure elements, current LOS provision, long-term aspirations, and short-term infrastructure LOS targets. The short-term targets are the standards used for the nexus analysis. These standards were developed through a review of existing City policies, interviews with City departments, and research on existing precedents. Note that setting citywide standards for infrastructure LOS is a complex undertaking that few cities have undertaken rigorously, making San Francisco an exemplar in its nexus approach.⁸

A more traditional project-based approach, in contrast, takes a list of planned infrastructure projects, and bases the nexus fee on the apportionment of their cost. This project-based approach is used for bicycle infrastructure. For bicycle infrastructure, the SFMTA has developed a comprehensive policy document that outlines specific capital projects for bicycle infrastructure. At the direction of the agency and with the support of stakeholders, the nexus for bicycle infrastructure relies on this policy document (SFMTA's 2013 *Bicycle Strategy*).⁹ (Note that, although the bicycle nexus relies on a discrete list of projects rather than a per-population or per-service-population LOS, the cost is apportioned between residential and commercial development via service population. That is, the bicycle infrastructure requirements are determined by a project list (13 miles of upgraded bikeway, 13 upgraded

⁵ The Transit Impact Development Fee (TIDF) ranges from \$6.80 per GSF to \$13.30 per GSF, depending on the land use (Economic Activity Category or Subcategory), as per San Francisco Planning Code Section 4.11.3 (e).

⁶ Service population is discussed in more detail in the section, Additional Assumptions: Service Population.

⁷ As long as the standard is not above the existing LOS conditions (i.e. as long as the existing LOS is not deficient per the standard), new development may bear the full burden of providing the LOS associated with its development. When a standard is above the existing LOS conditions, the City may require the development to bear the portion of the cost related to its fair share of the cost. In this case, best practice dictates that the City should demonstrate how it will fund the remaining cost to elevate the existing infrastructure to the LOS standard. The City cannot charge new development to increase an LOS for existing residents.

⁸ San Diego applies a standards approach for park infrastructure and many California cities that are not built-out use level of service standards to inform master planned areas on the periphery of their respective cities.

⁹ While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the Capital Improvement Program (CIP) project list to be put forward for board approval in April 2014 based on this document. Although no plans exist to take the 2013 *Bicycle Strategy* to the board for adoption, the project list derived from it will be taken to the board for CIP approval in April 2014.

intersections, etc.) as opposed to a per-service-population LOS; but, the cost of the bicycle infrastructure projects in the project list is allocated to development based on the increase in service population attributable to new development.)

INFRASTRUCTURE CATEGORIES

A nexus between development and maximum supportable impact fees has been determined for the following infrastructure types:



Recreation and open space



Streetscape and pedestrian infrastructure



Childcare



Bicycle infrastructure

All of these four infrastructure elements (recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) represent areas where existing impact fees are charged – that is, areas identified by the City where development will require new capital investment.

CITYWIDE APPROACH TO IMPACT FEES

Although many existing impact fees result from the City's planning processes in various Area Plans, and thus are neighborhood-specific, the City seeks a nexus analysis that applies consistent nexus methodologies across varying fee programs and geographies. This nexus study is therefore conducted at a citywide level. While the City acknowledges that the actual implementation of fee programs may still vary based on specific considerations of individual Area Plans, a citywide nexus model provides a consistent nexus architecture that affords the City an over-arching structure and a program that can easily be administered and updated (with revised cost and demographic inputs) on a five-year basis.

INFRASTRUCTURE LOS





The LOS standards for each infrastructure element are shown in Table 2. Recreation and open space and streetscape and pedestrian infrastructure improvements are based on demographic projections through 2030, as a reasonable development timeframe, while childcare and bicycle improvements are based on shorter-term projections, due to the changing distribution of children in the city, and the proposed bicycle improvement strategy upon which the bike measures are built. In terms of childcare, because the number of children in San Francisco is projected to decrease after 2020, the childcare LOS provision is based on 2020 demographics to avoid under-providing childcare at the child population's projected peak.¹⁰ For bicycle infrastructure, SFMTA's *Bicycle Strategy*

¹⁰ Unlike the general population, the child population in San Francisco is projected to begin a slow decline within the next five to seven years. As a result, if longer-term projections were used, childcare facilities in the short-term would be under-provided. In addition, the City has many policies to encourage families to stay and live in San Francisco, such that the population of children may not necessarily decline as projected. A shorter timeframe to 2020 affords the opportunity to revisit the projections in several years without under-providing in the short-term. Avoiding short-term under-provision is especially prudent if the projected trend of a declining child population does not materialize.

that outlines their proposed projects is based on a five-year timescale, and has been extrapolated to the nearest decade end.

Table 2 includes the infrastructure LOS for the infrastructure categories using a standards-based approach (recreation and open space, childcare, and streetscape and pedestrian infrastructure), and the capital improvements list for the infrastructure category using a projects-based approach (bicycle infrastructure).

Table 2. LOS Metrics for Infrastructure Categories

Infrastructure Element	LOS Standard / Capital Improvement	Measure	Target Year for Nexus Evaluation
 Recreation and Open Space	LOS	<ul style="list-style-type: none"> • 4.0 acres of open space / 1,000 service population units • 3.5 acres of open space / 1,000 service population units • 0.5 acres of improved open space / 1,000 service population units 	2030
 Childcare	LOS	<ul style="list-style-type: none"> • Childcare provided for 37% of demand for infant/toddler (age 0-2) care • Childcare provided for 99.6% of demand for preschooler (age 3-5) care 	2020
 Streetscape and Pedestrian Infrastructure	LOS	<ul style="list-style-type: none"> • 88 square feet of improved sidewalk / service population unit 	2030
 Bicycle Infrastructure	Capital Improvements List	<p>Complete build-out as per "Bicycle Plan Plus Scenario" of SFMTA's <i>Bicycle Strategy</i> (extrapolated through 2020)</p> <ul style="list-style-type: none"> • Upgrade 13 miles of bikeway to premium facilities • Install bicycle signals at 13 intersections • Add 5,333 bike parking spaces • Pilot bike share program of 67 stations and 667 bicycles 	2020

Source: AECOM *San Francisco Infrastructure Level of Service Analysis* report (March 2014)

GROWTH PROJECTIONS

The nexus analysis is predicated on a demographic forecast that helps determine the need for future infrastructure. The following population and employment projections from 2013 through 2030 (Table 3) were developed by the City and AECOM, based on U.S. Census, American Community Survey (ACS) data and information from the California Department of Finance (DOF). The projections below are consistently applied throughout all of the nexus analyses. Based on the low residential and commercial vacancy rates in San Francisco, it is reasonable to assume that population and employment growth will result in new physical development.¹¹

¹¹ San Francisco's apartment vacancy rate is 3.1 percent according to a Reis Report by Justin Peterson entitled "San Francisco Apartment Sector Amongst the Strongest" (October 2012). San Francisco's office vacancy rate (approximately 11 percent) is the lowest in the US office market, according to rankings done by Jones Lang Lasalle in their report "Office Outlook: United States. Q2 2013". San Francisco's retail vacancy rate is reported as 2.7 percent (second quarter of 2013) by CoStar in their article "Market Trend: San Francisco's Retail Vacancy Decreases to 2.7%" (July 2013). Note that all markets, including the housing market and the office space market, have a natural rate of vacancy that allows movement within the system. Full (100 percent) absorption would result in an inflationary market. The vacancy rates in San Francisco's apartment, office, and retail markets are below common metrics of natural vacancy, making it a reasonable premise that there is a one-to-one relationship between population and employment growth and new physical development (Krainer, John. *Natural Vacancy Rates in Commercial Real Estate Markets*. Federal Reserve Bank of San Francisco. October 5, 2001; Belsky, Eric. *Rental Vacancy Rates: A Policy Primer*. National Association of Home Builders. Housing Policy Debate, Volume 3, Issue 3. 793-813. 1992.).

Table 3. Population and Employment Projections for San Francisco (2010 - 2030)

Year	2013	2020	2030
Population			
Total Population	820,585	872,451	947,625
Employment			
Jobs	600,740	677,531	706,848

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections received by AECOM on May 14, 2013 from Aksel Olson, Planner/Geographer in Citywide Information and Analysis Group, San Francisco Planning Department. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: All values rounded to the nearest integer.

ADDITIONAL ASSUMPTIONS

In addition to the population and employment projections presented above, there are a number of other assumptions that are applied in the nexus analyses for each infrastructure area. For example, this nexus analysis ascribed demand for infrastructure on a gross square footage basis that is consistent with current density assumptions (residents or employees per GSF). These assumptions are summarized in Table 4.

Table 4. General Nexus Assumptions

*	Metric	Value	Source
Residential Assumptions			
A	Residents per service population unit	1	<i>Service Population Concept Memorandum</i> (September 24, 2013)
B	Residents per housing unit	2.32	American Community Survey 3-Year, 2000-2011, DP02: Selected Social Characteristics for San Francisco County
C	GSF per average residential housing unit	1,156	Weighted average from Eastern Neighborhoods Impact Fee and Affordable Housing Analysis (2008) ¹
D	GSF per residential service population	498	C / B
Commercial Assumptions			
E	Employees per service population unit (streetscape and pedestrian infrastructure; bicycle infrastructure)	0.5	<i>Service Population Concept Memorandum</i> (September 24, 2013)
F	Employees per service population unit (recreation and open space)	0.19	<i>Service Population Concept Memorandum</i> (September 24, 2013)
G	GSF commercial space per employee	327	San Francisco Planning Department assumptions received via email from Aksel Olsen, Planner/Geographer, on July 15, 2013
H	GSF per commercial service population (streetscape and pedestrian infrastructure; bicycle infrastructure)	654	G / E
I	GSF per commercial service population (recreation and open space)	1,721	G / F

Source: AECOM, 2013; other sources as noted.

1. The GSF per average residential housing unit is calculated by dividing the average unit size of 925 net square feet by a building efficiency rate of 80 percent. A building's efficiency rate reflects the ratio of leasable or rentable area to gross floor area. The average unit size (925 square feet) and building efficiency rate (80 percent) assumptions are taken from the *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis*, which Kearstin Dischinger, Senior Community Development Specialist with the San Francisco Planning Department has concluded still reflect current conditions. Kearstin Dischinger, in a meeting on July 16, 2013, directed the consultant to use this square footage and efficiency rate.

2. Unlike the streetscape and pedestrian infrastructure and bicycle infrastructure categories which use a standard discount factor for employees of 0.5 to calculate service population, the frequency of use between residents and employees is adjusted downwards for recreation and open space to reflect the findings of a study performed by the Hausrath Economics Group. The study indicates that employees use park facilities at a rate of 0.19 times that of residents.¹² As a result, the service population for recreation and open space is calculated as one times the number of residents plus 0.19 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report.

Service Population

Two of the included nexus methodologies (recreation and open space, and streetscape and pedestrian infrastructure) rely on the "service population" concept for their LOS. Service population is a relatively standardized concept, which determines the level of capital infrastructure demand placed on given infrastructure by additional development, including both residents and employees.¹³ Service population can be estimated either at a building level, by estimating the typical population and/or worker density of the building use, or at a citywide level. For purposes of this study, the city's total service population is calculated as one times the resident population plus 0.19 times the employment population (1:0.19 ratio) for recreation and open space, and, as one times the resident population plus half of the employment population (1:0.5 ratio) for streetscape and pedestrian infrastructure.

¹² Hausrath Economics Group, "Phoenix Park and Library EDU Factors Study". A Report to City of Phoenix Planning Department. September 1998. The park usage factor of 0.19 from the Hausrath study was applied to the San Francisco context by both the *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis* and the 2008 *City and County of San Francisco Citywide Development Impact Fee Study*.

¹³ *Service Population Concept Memorandum*, September 24, 2013, listed in Appendix A and included in the accompanying background materials compact disc.

This approach evaluates infrastructure demand based on both place of residence and place of work. Under this model, resident-employees (i.e. persons that both live and work in San Francisco) are counted twice, once for their home location, and once for where they work. This methodology accounts for the infrastructure need generated both at their place of work and at their place of residence (e.g. required parks and sidewalks near their homes and near their offices). While employees require similar capital improvements (e.g. parks and sidewalks) as residents, the employee factor has been discounted (to 0.19 or to 0.5) to reflect a conservative approach to employee capital infrastructure demand. These 1:0.19 and 1:0.5 ratios serve as the basis for the service population calculations.

For streetscape and pedestrian infrastructure, the service population calculation discounts employees to 0.5, relative to residents (weighted as 1). This discounting represents an industry standard discount factor for employees in service population calculations.¹⁴ For recreation and open space, the service population calculation discounts employees further to 0.19, relative to residents (weighted as 1). This discounting represents the finding, as analyzed by the Hausrath Economics Group (see Footnote 12), that people require and use recreation and open space near their homes much more than near their workplace. As a result, the recreation and open space chapter applies a modified service population calculation which weights employees less than the standard (0.5) discount factor.

Note that although bicycle infrastructure relies on a project-based approach to determine bicycle infrastructure requirements, the nexus methodology for bicycle infrastructure uses the “service population” concept to apportion cost. The total cost for all bicycle infrastructure projects is allocated to new development based on new development’s share of the growth in service population. In this case, the conventional service population calculation (of ascribing one unit to residents and 0.5 units to employees) is applied.

Administrative Costs

For each fee calculation, five percent of the calculated cost is added to cover administrative services, as directed by the San Francisco Planning Department, which oversees the fee calculation.¹⁵ Five percent reflects the average administrative cost across all citywide and neighborhood fees.¹⁶

Gross Square Feet

Consistent with current City practices, all fees are presented in terms of cost (\$) per gross square foot (GSF). For neighborhoods which have a considerably lower or higher residential efficiency rate¹⁷ than the 80 percent applied in the assumptions in Table 4, the Planning Department reserves the right to recalculate fees based on adjusted assumptions.

SUMMARY OF CITYWIDE IMPACT FEES

The impact fees determined in this nexus analysis are tabulated below (Table 5). The fees range from a few cents per square foot (bicycle infrastructure fee) to almost fifteen dollars per square foot (residential recreation and open space fee).

¹⁴ *Service Population Concept Memorandum*, September 24, 2013, listed in Appendix A and included in the accompanying background materials compact disc.

¹⁵ *Administrative Cost Memorandum*, November 4, 2013, listed in Appendix A and included in the accompanying background materials compact disc.

¹⁶ Five percent was used in the 2008 *Citywide Development Impact Fee Study*, as well as in the 2008 *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis*.

¹⁷ A building’s efficiency rate reflects the ratio of leasable or rentable area to gross floor area.

Table 5. Maximum Supportable Citywide Impact Fees per GSF, 2013

Citywide Nexus Fees	
Recreation and Open Space	
Residential (\$/GSF)	\$14.99
Non-Residential (\$/GSF)	\$4.34
Childcare	
Residential (\$/GSF)	\$1.86
Non-Residential (\$/GSF)	\$1.58
Streetscape and Pedestrian Infrastructure	
Residential (\$/GSF)	\$7.98
Non-Residential (\$/GSF)	\$6.08
Bicycle Infrastructure	
Residential (\$/GSF)	\$0.06
Non-Residential (\$/GSF)	\$0.04

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

COMPARISON OF CITYWIDE IMPACT FEES WITH EXISTING IMPACT FEES

The calculated citywide impact fees support the existing impact fees in all categories. Additionally, all calculated citywide fees exceed the maximum existing neighborhood fee by at least 10%, as shown in Table 6. Note that both existing and maximum supportable citywide fees are expressed in \$/GSF.

Table 6. Comparing Maximum Supportable Citywide Fees to Existing Fees

	Maximum supportable Citywide Fee (determined by this Nexus)	Highest Existing Fee (2013 fee rates)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)
Recreation and Open Space			
Residential (\$/GSF)	\$14.99	\$8.85	59%
Non-Residential (\$/GSF)	\$4.34	\$2.21	51%
Childcare Infrastructure			
Residential (\$/GSF)	\$1.86	\$1.68	90%
Non-Residential (\$/GSF)	\$1.58	\$1.12	70%
Streetscape and Pedestrian Infrastructure			
Residential (\$/GSF)	\$7.98	\$6.66	83%
Non-Residential (\$/GSF)	\$6.08	\$2.14	35%
Bicycle Infrastructure			
Residential (\$/GSF)	\$0.06	\$0.05	83%
Non-Residential (\$/GSF)	\$0.04	\$0.02	50%

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.



2. Recreation and Open Space

This chapter summarizes the nexus analysis for recreation and open space. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the maximum supportable nexus fee.

INTRODUCTION

RECREATION AND OPEN SPACE BACKGROUND

Recreation and open space is a common, City-provided, public amenity. San Francisco, like most cities, aims to provide adequate quality open space for the broader public health and quality of life of its citizens and workforce. As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and enhanced) open space. This relationship between new development, an influx of residents and workers, and a demand for open space provides the nexus for an impact fee.

The impact of new residential development on the need for open space is widely understood in California and development impact fees for open space are commonly imposed in many California jurisdictions. In addition to serving the residential population, the City has a longstanding commercial development impact fee, the Downtown Park Fee, initiated in 1985, which supports recreation space in the downtown area for the neighborhood's daytime employee population.¹⁸ In adopting the Downtown Park Fee, the Board of Supervisors recognized that continued office development in the Downtown increased the daytime population and created a need for additional public park and recreation facilities in the downtown. The Board recognized at that time that, while the open space requirements imposed on individual office and retail developments through the Planning Code addressed the need for plazas and other local outdoor sitting areas to serve employees and visitors in the district, such open space could not provide the same recreational opportunities as a public park. The City thus created the Downtown Park fund in order to provide the City and County of San Francisco with the financial resources to acquire and develop public park and recreation facilities necessary to serve the burgeoning daytime population in the Downtown. The City continued its commitment to insuring that recreation and open space facilities increased apace with new commercial development when it adopted open space fees on commercial development as a part of various Area Plans such as Market and Octavia, Eastern Neighborhoods, Balboa Park and Visitacion Valley (Table 1.)

¹⁸ Planning Code Section 412. [http://www.amlegal.com/nxt/gateway.dll/California/planning/article4developmentimpactfeesandprojectr?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:sanfrancisco_ca\\$anc=JD_412](http://www.amlegal.com/nxt/gateway.dll/California/planning/article4developmentimpactfeesandprojectr?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_412)

Providing recreation and open space – such as baseball diamonds, soccer fields, parks, playgrounds, tennis courts, flower gardens, community gardens, and greenways – is a capital intensive undertaking, especially in San Francisco where land availability is low and land prices are high. Recreation and open space fees, levied on new development, are collected to fund the acquisition and construction of new or expanded recreation capacity for the additional residents and workers directly attributable to new development.

Note that the terms “park space”, “recreation space” or “open space” may be used in this chapter as shorthand to denote any and all recreation and open space.

PURPOSE AND USE OF REVENUES

The primary purpose of the recreation and open space development impact fee revenue is to fund expansion of San Francisco’s recreation capacity to meet the demand from new development. Recreation and open space capacity can be increased either through the acquisition and construction of new park land, or through capacity enhancements to existing open space. Both types of open space investments increase the capacity of San Francisco’s open space network to accommodate new development. Examples of how development impact fees would be used include:

- Acquisition and construction of new park and recreation land;
- Lighting improvements to existing parks, which extend hours of operation on play fields and allow for greater capacity;
- Recreation center construction, or adding capacity to existing facilities; and
- Converting passive open space¹⁹ to active open space²⁰ through addition of trails, play fields, playgrounds, etc.

The recreation and open space impact fee aims to ensure that new development contributes its fair share of funding to recreation and open space. Because the LOS metric upon which the nexus is developed directly ties infrastructure to the service population, there is a clear relationship between new development, which increases housing and employment space, and an increase in demand for recreation capacity.

As with all impact fees, the fee may not be used to address existing infrastructure deficiencies, and, as such, no portion of the funds will be used for RPD’s deferred maintenance tasks. Unlike capacity enhancements that make the open space usable by more people, deferred maintenance efforts simply restore open space to its initial capacity. For example, as noted above, a park enhancement might be adding lighting to a tennis court, which extends the effective hours of operation of the tennis court, allowing more people to use the court. By contrast, re-flooring a tennis court as part of a maintenance effort simply maintains the tennis court’s capacity, and thus would not be a permitted use of funds in the development impact fee context.

This nexus analysis assumes that the City will fund 100 percent of the development-based demand for open space through the fee. This study estimates the maximum supportable fee based on the relationship between the cost to provide open space and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

¹⁹ Lawn or forested areas dedicated for “general enjoyment of outdoors”, as per RPD’s *Parks Acquisition Policy* (August 2011).

²⁰ Recreational space construct to accommodate “team sports and athletics, children’s play areas, courses and courts, bike, pedestrian and equestrian paths”, as per RPD’s *Parks Acquisition Policy* (August 2011).

NEXUS DETERMINATION

The maximum supportable fee calculation for recreation and open space infrastructure combines the proposed recreation and open space LOS metric with residential growth projections and the cost to provide recreation and open space.

LOS METRIC

Although recreation and open space infrastructure comprises a wide range of components, from playgrounds, lawn areas and recreation centers, to baseball diamonds and forested areas, the LOS metric put forth in the *San Francisco Infrastructure Level of Service Analysis* – acres of open space per service population unit – encompasses, undifferentiated, all types of park-related improvements.

As noted in the *San Francisco Infrastructure Level of Service Analysis*, the City is currently responsible for providing 4.0 acres of open space per 1,000 service population units, and aims to maintain this provision into the future.²¹ This metric assumes that for each new service population unit, the City will provide an equivalent level of service, whether it comes in the form of new open space or capacity improvements to existing open space (see Nexus Methodology & Fee Calculation section below for more detail).

GROWTH PROJECTIONS

The development horizon for recreation and open space is 2030. Between 2013 and 2030, San Francisco is projected to house 127,040 more people and employ 106,108 more workers (Table 7).

²¹ City-provided park land includes land owned by the Recreation and Parks Department, the Department of Public Works, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency.

Table 7. Growth Projections for Recreation and Open Space (2013 - 2030)

	2013	2030	Growth (2013 - 2030)	Percent Increase
Population				
Population	820,585	947,625	127,040	15%
Employment				
Jobs	600,740	706,848	106,108	18%
Service Population				
Service population ¹	934,726	1,081,926	147,200	16%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: all values are rounded to the nearest integer.

1. Service population is a weighted sum of residents and employees. Unlike the streetscape and pedestrian infrastructure and bicycle infrastructure categories which use a standard discount factor for employees of 0.5 to calculate service population, the frequency of use between residents and employees is adjusted downwards for recreation and open space to reflect the findings of a study performed by the Hausrath Economics Group. The study indicates that employees use park facilities at a rate of 0.19 times that of residents.²² As a result, the service population for recreation and open space is calculated as one times the number of residents plus 0.19 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 8) calculates the total cost of increasing open space acreage for the new service population (2013-2030), and distributes the cost between residential and non-residential land uses based on their associated contributions to total incremental service population growth. The residential fee is based on the percentage of service population units arising from the new resident population; the non-residential (commercial) fee is based on the percentage of service population units arising from the increase in employee population.

Note that, to maintain the LOS at 4.0 acres of open space per 1,000 service population units, an equivalent of 566 new acres of open space would need to be constructed (Table 8, Row G). Given the size of San Francisco, the building density, and expensive land costs, constructing 566 new acres of open space within San Francisco is infeasible.²³ RPD has determined that it can reasonably acquire 55 new acres of open space within San Francisco. The remaining 511 acres demanded by the LOS (566 minus 55) will be accommodated not through the construction of new park acres, but through the capacity improvement of existing acres.²⁴ The capacity

²² Hausrath Economics Group, "Phoenix Park and Library EDU Factors Study". A Report to City of Phoenix Planning Department. September 1998. The park usage factor of 0.19 from the Hausrath study was applied to the San Francisco context by both the San Francisco Eastern Neighborhoods Nexus Study and the 2008 City and County of San Francisco Citywide Development Impact Fee Study.

²³ RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in meetings that RPD could not feasibly acquire and construct 566 acres of new open space within San Francisco. Dawn Kamalanathan confirmed this assertion in an email dated February 13, 2014.

²⁴ If land were available for 566 acres of new open space in San Francisco, developers would be charged the acquisition and improvement cost (\$9,365,400 per acre for acquisition (Table 8, Row J) plus \$939,197 per acre for capacity improvement (Table 8, Row K)) for the full 566 acres. Given the constraints, the stated approach of charging developers the full cost (acquisition plus improvement) for only 55 acres, and a capacity improvement cost only for the remaining acres (511) represents a discounted nexus and more accurately reflects how much land RPD will acquire and improve.

improvements of existing acres must add capacity to the existing land (refer to Purpose and Use of Revenues section above).²⁵

Table 8. Nexus Methodology for Recreation and Open Space Fee

* Measure	Value	Source/Calculation
Service Population		
A	Total service population projected for 2030	1,081,926 Table 7
B	Total projected service population growth (2013-2030)	147,200 Table 7
Unit Conversions		
C	Residential (GSF/service population)	498 Table 4
D	Commercial (GSF/service population)	1,721 Table 4
Metric		
E	Total acres of open space (all City owners, 2013)	3,762 RPD ¹
F	Acres of park improvements per 1,000 Service Population Units	4.0 <i>San Francisco Infrastructure Level of Service Analysis (March 2014)</i>
Cost		
G	Incremental acres of open space required to maintain LOS (2013-2030)	566 $A / 1000 * F - E$
H	Feasible new acres of open space (2013-2030)	55 RPD ²
I	Acres of open space to be improved (2013-2030)	511 $G - H$
J	City estimate of unit acquisition cost (\$/acre of open space acquired)	\$9,365,400 <i>RPD Cost Assumptions Memorandum (March 2014)</i>
K	City estimate of unit improvement cost (\$/acre of open space improved)	\$939,197 <i>RPD Cost Assumptions Memorandum (March 2014)</i>
L	Total cost for new open space	\$566,753,000 $H * (J + K)$
M	Total cost for improved open space	\$479,930,000 $I * K$
N	Cost attributable to incremental growth	\$1,046,683,000 $L + M$
O	Administrative costs (5% of fee)	\$52,334,000 <i>Administrative Cost Memorandum (November 4, 2013)</i>
P	Total attributable cost with administrative costs	\$1,099,017,000 $N + O$
Nexus Fee Maximums		
Residential (\$/GSF)		\$14.99 $P / (B * C)$
Non-Residential (\$/GSF)		\$4.34 $P / (B * D)$

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Lines M and N, and the nexus fee maximums) are rounded to the nearest thousand. Nexus fee maximums are rounded to the nearest cent.

1. RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in a meeting on November 14, 2013, that RPD owns 3,437.28 acres of open space within San Francisco, and that other City agencies (the Port, DPW, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency) own another 324.4 acres of open space within San Francisco, for a total of 3,762 acres of open space within San Francisco.

2. RPD staff members Dawn Kamalanathan, Planning Director, and Stacey Bradley, Planner, advised in meetings that RPD could feasibly acquire and construct 55 new acres of open space. Dawn Kamalanathan confirmed this via email dated February 13, 2013.

²⁵ To fully maintain the LOS, the capacity improvements would need to double the open space capacity. Capacity improvements to parks vary in effectiveness, with typical enhancements improving park capacity by 20 to 30 percent, according to RPD staff (Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, via email received January 10, 2014, from Kearstin Dischinger, Senior Community Development Specialist of the Planning Department). Therefore, improvement acreage and cost represents a conservative, discounted nexus. One of the challenges with the application of this approach is that it will become difficult to measure how the LOS has been maintained moving forward. The Planning Department has advised AECOM that it will work with RPD to develop a clear set of equivalency units, which identify the relationship between improvements and increased capacity. These equivalencies will help ensure that the fees are used to directly address proportional capacity increases.

NEXUS FINDINGS

Based on the approach summarized in Table 8, the maximum estimated cost per residential square foot is \$14.99 per gross square foot, and the estimated non-residential fee is \$4.34 gross square foot.

As Table 9 demonstrates, both determined maximum supportable fees are above the highest existing fee for recreation and open space. The highest existing recreation and open space fees recover 50 to 60 percent of the maximum supportable nexus.

Table 9. Comparing Proposed Maximum Supportable Recreation and Open Space Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$14.99	\$8.85	59%	YES
Non-Residential (\$/GSF)	\$4.34	\$2.21	51%	YES



3. Childcare

This chapter summarizes the nexus analysis for childcare infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

CHILDCARE SPACE BACKGROUND

For families with children – especially those with children under the age of thirteen – childcare is a key concern. In San Francisco particularly, with high housing costs, many families have working parents and, therefore, require non-parent childcare. The City recognizes the importance of childcare as a community-serving amenity, and first adopted a childcare inclusionary zoning ordinance with an in-lieu fee option in 1986 as part of the Downtown Plan.²⁶ In addition to the City's childcare ordinance, there are four City Areas with Community Infrastructure Impact Fees that include a childcare component – Market & Octavia, the Eastern Neighborhoods, Visitacion Valley, and Balboa Park. These fees are used to help provide facilities for childcare demand resulting from new commercial and residential developments. The City will continue to plan for resident and employee childcare needs and articulate this commitment in local policy.

As new development occurs, it attracts new residents and employees, some of whom have children who require non-parent childcare. This relationship between new development, an influx of residents and workers, and a demand for childcare facilities provides the nexus for an impact fee. While childcare is not a mandated public service, the City government is involved in some capacities in the provision of licensed childcare options. Childcare fees, levied on new development, are collected to help fund childcare slots in the city, demand for which is directly attributable to new development.

²⁶ The ordinance applies to office and hotel development in the Downtown Area of the General Plan and the 2013 fee level is \$1.11 per gross square foot. The City's ordinance establishes a separate fund for the collection of fee revenues, called the Child Care Capital Fund. Under this ordinance, "all monies in the fund shall be used solely to increase and/or improve the supply of child care facilities affordable to households of low and moderate income" (Section 414 of the City Planning Code). Since adoption, the City has collected \$7.1 million in childcare in-lieu fees (through Fiscal Year 2010-2011). During the same time period, the Child Care Capital Fund has expended \$6.5 million. The City currently contracts with the Low Income Investment Fund (LIIF) to administer the expenditures of the Fund (FY 2010-2011 Development Impact Fee Report, Controller's Office, City and County of San Francisco, December 1, 2011).

PURPOSE AND USE OF REVENUES

The primary purpose of the childcare development impact fee is to fund expansion of San Francisco's childcare capacity to meet the demand from new development. That is, impact fee revenues are intended to be used to mitigate the childcare demands of the increasing population. Monies from the childcare impact fee may only be used to fund capital childcare projects and facilities.

Through discussions with City staff, it was determined that, while there is a need for additional school-age childcare capacity in the City, the needs are for operations assistance, not for additional facilities. After-school care is typically provided at school sites, using school facilities. Given that impact fee revenues must be spent on capital costs to maintain or increase the supply of facilities, they are not an appropriate source of funding for expanding after-school care capacity. The City does not intend to assist in the creation of new facilities providing after-school care; instead, the City intends to use other funding sources to assist the operation of after-school programs. Due to the fact that childcare impact fees are limited to capital improvements, this analysis is limited to infant, toddlers, and preschool-age children only and does not address the childcare needs of school-age children (ages 6 to 17).

This study estimates the maximum supportable fee based on the relationship between the cost to provide childcare and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for childcare combines the proposed childcare LOS metrics with residential growth projections and the cost to provide licensed childcare.

LOS METRIC

Two LOS metrics, developed with the City and described in detail in the *San Francisco Infrastructure Level of Service Analysis*, are applied in this fee determination: (1) childcare demand accommodation for infants and toddlers (ages 0 to 2), and (2) childcare demand accommodation for preschoolers (ages 3 to 5). In both cases, the LOS target that the City aims to achieve in the relevant timeframe, and which will be applied in the calculation of the maximum supportable development impact fee, is to maintain the existing level of service provision.

In terms of infant and toddler childcare, the existing number of childcare slots available represents capacity for 37 percent of the infant and toddler childcare demand in the city. For preschoolers, the current number of childcare slots available in the city represents capacity for 99.6 percent of the preschool childcare demand in the city.²⁷ The City aims to maintain this provision into the future as the population and workforce grows, providing capacity for 37 percent of infant and toddler childcare demand and capacity for 99.6 percent of preschooler childcare demand.

GROWTH PROJECTIONS

The development horizon for childcare is 2020. This shortened timeframe, compared to the 2030 timeframe used for analysis of recreation and open space and streetscape and pedestrian infrastructure, is used for childcare because of irregularities in the projected growth trends for children in San Francisco. Unlike the general population, which is projected to increase steadily, the child population in San Francisco is projected to rise through 2020, and then begin a slow decline over the following decade.²⁸ Nonetheless, while the population of

²⁷ Childcare Demand Estimates for Licensed Care are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).

²⁸ California Department of Finance P-3: State and County Total Population Projections by Race/Ethnicity and Detailed Age, 2010-2060.

children is projected to decline after 2020, the City has many policies to encourage families to stay and live in San Francisco, such that the population of children may not necessarily decline as projected. A shorter timeframe to 2020 affords the opportunity to revisit the projections in several years without under-providing in the short-term. Avoiding short-term under-provision is especially prudent if the projected trend of a declining child population does not materialize.

Table 10. Growth Projections and Demand Estimates for Childcare (2013 – 2020)

	2013	2020	Growth (2013 - 2020)	Percent Increase
Population				
Population	820,585	872,451	51,866	6%
Employment				
Jobs	600,740	677,531	76,791	13%
Childcare Demand Estimates (for Licensed Care)¹				
Infants/Toddlers Requiring Care in San Francisco	8,005 ²	10,534	2,529	32%
Preschoolers Requiring Care in San Francisco	14,717 ³	17,002	2,285	17%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: All values rounded to the nearest integer.

1. Childcare Demand Estimates for Licensed Care are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report, (Appendix: Childcare Demand Calculations). Note that childcare demand numbers are rounded to the nearest integer. Note also that these totals represent demand for childcare *in San Francisco*. Some San Francisco residents with children are employed outside of San Francisco, and demand childcare outside of San Francisco. Some people with children, who are employed in San Francisco but live elsewhere, demand childcare outside of San Francisco. These childcare demands of San Francisco residents and employees for childcare outside of San Francisco are not included in the totals above.
2. Of the 8,005 infants and toddlers requiring care in San Francisco, 4,144 are *resident* infants and toddlers (i.e. the children of San Francisco residents; see A in Table 11), and 3,861 are *non-resident* infant and toddlers (i.e. the children of people who work in San Francisco but live elsewhere; see B in Table 11). These demand estimates are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).
3. Of the 14,717 preschoolers requiring care in San Francisco, 10,878 are *resident* preschoolers (i.e. the children of San Francisco residents; see C in Table 11), and 3,839 are *non-resident* preschoolers (i.e. the children of people who work in San Francisco but live elsewhere; see D in Table 11). These demand estimates are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).

Unlike other infrastructure categories, which are required by residents and employees at multiple locations (both at home and at work), childcare facilities are required in only one location per child in need of care. As a result, an LOS based on service population (like recreation and open space, and streetscape and pedestrian infrastructure) is not relevant to childcare.²⁹ Instead, the childcare nexus is based on future childcare demand estimates. Between

²⁹ In the service population calculation, both residents and employees are counted (residents at a weight of one and employees at a discounted weight). A resident-employee – i.e. someone who both lives and works in San Francisco – would be counted more than once. For recreation and open space and streetscape and pedestrian infrastructure, this “double-counting” represents the fact that a person requires, for example, parks and sidewalks at home as well as at work; for childcare, because a childcare slot is required only *either* at home or at work, this “double-counting” would overestimate the infrastructure requirements. Therefore, a childcare LOS cannot be based on the service population calculation like recreation and open space and streetscape and pedestrian infrastructure.

2013 and 2020, San Francisco is projected to generate demand for 2,529 new licensed infant and toddler childcare slots and 2,285 new licensed preschooler childcare slots.³⁰

NEXUS METHODOLOGY & FEE CALCULATION

The childcare nexus analysis seeks to estimate the cost of maintaining the current LOS for childcare in the city as the demand for childcare grows over time (as population and employment grows), and to assign this cost to residential and non-residential construction on a per-square foot basis. Specifically, the childcare nexus analysis applies the existing ratio of capacity to demand by age group to the new childcare demand expected in the city over the next seven years to estimate the increased need for childcare spaces in the city. It then calculates the capital costs required to provide these childcare spaces to accommodate the new population (at the same ratio of capacity to demand). Lastly, the costs are assigned to new housing units and new non-residential development on a per-square-foot basis. Residential development assumes the cost of providing childcare that is required near the home, while commercial development assumes the cost of providing childcare that is required near the place of work. Based on survey data collected for the Child Care Planning and Advisory Council (CPAC) San Francisco Child Care Needs Assessment report, 80.5 percent of resident parents prefer childcare near their home, while 19.5 percent of resident parents prefer childcare near their place of work.³¹ Non-resident parents who require childcare in San Francisco are assumed to require childcare at their place of work.³² Based on these childcare location preferences, as shown in Table 11, residential development assumes 42 percent of the cost of providing infant and toddler care and 60 percent of the cost of providing preschooler care; non-residential development assumes 58 percent of the cost of providing infant and toddler care and 40 percent of the cost of providing preschooler care.

³⁰ See the *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations), which contains a detailed summary of childcare demand calculations and assumptions for both 2013 and future (2020) demand.

³¹ Survey data from the Resource and Referral Agency Parent Follow-up Survey (2007) indicates that 71 percent of parents prefer childcare at home, while 10 percent of parents prefer childcare at work (or en route to work). The remaining 19 percent prefer childcare either on the way to work or on the way home, near a sibling's school, or some other location. This outstanding 19 percent was apportioned equally between 'home' and 'work' designations for the purposes of this analysis, resulting in the assumption that 80.5 percent of parents prefer childcare near the home, while 19.5 percent of parents prefer childcare near their place of work. See CPAC San Francisco Child Care Needs Assessment Report, 2007 (Section V. Parent Choice).

³² Non-resident parents who require childcare in San Francisco have homes outside San Francisco. Since they are demanding childcare in San Francisco, they are assumed to require care near their place of work. More detail about non-resident parents who require childcare in San Francisco is included in the *San Francisco Infrastructure Level of Service Analysis* report, Appendix Childcare Demand Calculations.

Table 11. Apportionment of Childcare Demand Between Residential and Non-Residential Development

*	Measure	Value	Source/Calculation
Infant-Toddlers (0-2) Requiring Care in San Francisco			
A	Resident-Children	4,144	Table 10 (see Table Note 2)
B	Non-Resident-Children	3,861	
Preschoolers (3-5) Requiring Care in San Francisco			
C	Resident-Children	10,878	Table 10 (see Table Note 3)
D	Non-Resident-Children	3,839	
Childcare Location			
E	Childcare near home	80.5%	CPAC San Francisco Child Care Needs Assessment 2007 (Chapter V. Parent Choice)
F	Childcare near work	19.5%	
Infant-Toddlers (0-2) Childcare Demand Attribution			
Childcare Attributable to Residential Development		42%	$(A * E) / (A + B)$
Childcare Attributable to Non-Residential Development		58%	$(A * F + B) / (A + B)$
Preschooler (3-5) Childcare Demand Attribution			
Childcare Attributable to Residential Development		60%	$(C * E) / (C + D)$
Childcare Attributable to Non-Residential Development		40%	$(C * F + D) / (C + D)$

Source: AECOM, 2013

Note: Values in Lines A to D represent 2013 demand estimates (see Table 10); values in lines E and F represent childcare location information from the 2007 CPAC San Francisco Child Care Needs Assessment Report (see Footnote 31). The childcare demand attribution percentages calculated based on these values are assumed to be relatively constant over time. All values rounded to the nearest integer, except for lines E and F, which are rounded to the nearest tenth.

Table 12. Nexus Methodology for Infant and Toddler Childcare Fee

* Measure	Value	Source/Calculation
Service Population		
A Total new infants and toddlers (2013-2020)	2,529	Table 10
Metric		
B % of Capacity for Infant and Toddler Care Demand (0-2)	37%	LOS Metric
Cost		
C Incremental # of childcare spaces (2013-2020)	936	A * B
D City estimate of unit cost (\$/childcare space)	\$26,250	LIIF, OECE ¹
E Total cost for new childcare spaces	\$24,570,000	C * D
F Cost attributable to incremental growth	\$24,570,000	100% E ⁴
G Administrative costs (5% of fee)	\$1,229,000	<i>Administrative Cost Memorandum (November 4, 2013)</i>
H Total attributable cost with administrative costs	\$25,799,000	F + G
Attributable Amounts		
I Percent attributable to residential development based on preferred childcare location	42%	Table 11
J Percent attributable to commercial development based on preferred childcare location	58%	Table 11
K Amount attributable to residential development	\$10,836,000	H * I
L Amount attributable to non-residential development	\$14,963,000	H * J
Unit Conversions		
M Total new estimated residential development (GSF)	25,829,000 ²	See Table Note 2.
N Total new estimated commercial development (GSF)	25,111,000 ³	See Table Note 3.
Nexus Fee Maximums		
Residential (\$/GSF)	\$0.42	K / M
Non-Residential (\$/GSF)	\$0.60	L / N

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Line D, and the nexus fee maximums) are rounded to the nearest thousand. Nexus fee maximums are rounded to the nearest cent.

1. This amount was determined by Asian Neighborhood Design, with updated cost estimates from the San Francisco Child Care Facilities Interagency Committee. As of 2013 (per email dated October 3, 2013 from Graham Dobson, Administrative Analyst for Office of Early Child Care and Education), the average cost of new construction per childcare space is estimated to be \$350 per square foot. Licensing requires 35 square feet indoors per child and 75 square feet outdoors per child; however LIIF uses 75 square feet per child both indoor and outdoor as a measure of a quality child care environment. The resulting fee is \$26,250 (\$350 per square foot multiplied by 75 square feet). This same cost is used regardless of age of children served.
2. Estimated new residential development is calculated at the average GSF per residential person (498, see Table 4) times the total 2013-2020 new residential population (51,866, Table 10).
3. Estimated new commercial development is calculated at the average GSF per commercial employee (327, see Table 4) times the total 2013-2020 new employee population (76,791, Table 10).
4. Refer to the report section entitled Growth Projections for a discussion of the one-to-one relationship between population and employment growth and physical development.

Table 13. Nexus Methodology for Preschooler Childcare Fee

* Measure	Value	Source/Calculation
Service Population		
A Total new preschool age children (2013-2020)	2,256	Table 10
Metric		
B % of Capacity for Preschool Age Care Demand (3-5)	99.6%	LOS Metric
Cost		
C Incremental # of childcare spaces (2013-2020)	2,247	A * B
D City estimate of unit cost (\$/childcare space)	\$26,250	LIIF, OECE ¹
E Total cost for new childcare spaces	\$58,984,000	C * D
F Cost attributable to incremental growth	\$58,984,000	100% E
G Administrative costs (5% of fee)	\$2,949,000	<i>Administrative Cost Memorandum</i> (November 4, 2013)
H Total attributable cost with administrative costs	\$61,933,000	F + G
Attributable Amounts		
I Percent attributable to residential development based on preferred childcare location	60%	Table 11
J Percent attributable to commercial development based on preferred childcare location	40%	Table 11
K Amount attributable to residential development	\$37,160,000	H * I
L Amount attributable to non-residential development	\$24,773,000	H * J
Unit Conversions		
M Residential (GSF/residential service population)	498	Table 4
N Total new residential population (2013-2020)	51,866	Table 10
O Total new estimated residential development (GSF)	25,829,000	M * N
P Commercial (GSF/employee)	327	Table 4
Q Total new employee population (2013-2020)	76,791	Table 10
R Total new estimated commercial development (GSF)	25,111,000	P * Q
Nexus Fee Maximums		
Residential (\$/GSF)	\$1.44	K / O
Non-Residential (\$/GSF)	\$0.99	L / R

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Line D, and the nexus fee maximums) are rounded to the nearest thousand.

1. This amount was determined by Asian Neighborhood Design, with updated cost estimates from the San Francisco Child Care Facilities Interagency Committee. As of 2013 (per email dated October 3, 2013 from Graham Dobson, Administrative Analyst for Office of Early Child Care and Education), the average cost of new construction per childcare space is estimated to be \$350 per square foot. Licensing requires 35 square feet indoors per child and 75 square feet outdoors per child; however LIIF uses 75 square feet per child both indoor and outdoor as a measure of a quality child care environment. The resulting fee is \$26,250 (\$350 per square foot multiplied by 75 square feet). This same cost is used regardless of age of children served.

NEXUS FINDINGS

Based on the above methodology, the maximum estimated nexus is \$1.86 per gross square foot for residential buildings and \$1.59 per gross square foot for non-residential buildings (Table 14). Charging both residential and commercial development the maximum supportable fee would not result in double-counting the impact on childcare because the total impact has been allocated proportionally to the two development types (as per Table 11).

Table 14. Maximum Supportable Impact Fees for Childcare

Maximum supportable Citywide Fee	
Childcare for Infant and Toddler Care Demand (0-2)	
Residential (\$/GSF)	\$0.42
Non-Residential (\$/GSF)	\$0.60
Childcare for Preschooler Care (3-5)	
Residential (\$/GSF)	\$1.44
Non-Residential (\$/GSF)	\$0.99
Total Childcare Fee	
Residential (\$/GSF)	\$1.86
Non-Residential (\$/GSF)	\$1.59

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

As Table 15 demonstrates, the highest current fees are less than the maximum amount supported by the nexus analysis. The highest existing residential nexus fee represents 90 percent of the maximum supportable amount, and the highest existing non-residential fee represents 70 percent of the maximum supportable amount.

Table 15. Comparing Proposed Maximum Supportable Childcare Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$1.86	\$1.68	90%	YES
Non-Residential (\$/GSF)	\$1.59	\$1.12	70%	YES

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.



4. Streetscape and Pedestrian Infrastructure

This chapter summarizes the nexus analysis for streetscape and pedestrian infrastructure. After providing brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

STREETSCAPE AND PEDESTRIAN INFRASTRUCTURE BACKGROUND

Streetscape and pedestrian infrastructure encompasses a wide range of right-of-way facilities, and plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives. In 2010, the City of San Francisco published the Better Streets Plan (BSP) with design and maintenance guidelines for the pedestrian environment. Constructing "complete streets"³³ – considering safety, creation of social space on the sidewalk, and pedestrian aesthetic – is broadly the main motivator underlying the BSP recommendations. City stakeholders rely heavily on the BSP as their foremost streetscape policy document, representing thorough analysis and much design and engineering consideration.

As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and improved) streetscape and pedestrian infrastructure. This relationship between new development, an influx of residents and workers, and a demand for streetscape and pedestrian infrastructure provides the nexus for an impact fee. Providing streetscape and pedestrian infrastructure is a capital intensive undertaking. Streetscape and pedestrian infrastructure fees, levied on new development, are collected to help fund the construction of new streetscape and pedestrian infrastructure for the additional residents and workers directly attributable to new development.

³³ Complete Streets are defined as streets which "are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders." Metropolitan Transportation Commission, "MTC One Bay Area Grant: Complete Streets Policy Development Workshop." 16 October 2012. Section 2.4.13 of San Francisco's Public Works Code outlines San Francisco's complete streets policy, which includes the construction of transit, bicycle, stormwater, and pedestrian environment improvements, where pedestrian environment improvements are defined as sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements as defined in the Better Streets Plan.

Note that the terms “streetscape” or “pedestrian infrastructure” may be used in this section as shorthand to denote both streetscape and pedestrian infrastructure. Streetscape and pedestrian infrastructure includes sidewalk space and relevant streetscape and pedestrian amenities in that space, such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco’s Public Works Code.

PURPOSE AND USE OF REVENUES

The primary purpose of the streetscape and pedestrian infrastructure development impact fee is to fund capital improvements to San Francisco’s streetscape and pedestrian infrastructure. As discussed in the BSP, the City aims to improve the pedestrian environment for all of San Francisco’s residents and employees. The impact fees will be used to make improvements to San Francisco’s pedestrian infrastructure. Acceptable uses of the fees include (but are not limited to) sidewalk paving, lighting installation, pedestrian signalization of crosswalks or intersections, street tree planting, bulb-out construction, street furnishing, landscaping, traffic calming, and other streetscape improvements cited in the BSP or Public Works Code (Section 2.4.13).

In addition to the streetscape and pedestrian infrastructure fee analyzed here, Planning Code Section 138.1 contains urban design requirements that authorize the Planning Department to require a project to provide physical streetscape and pedestrian improvements in certain instances and only for certain projects. Section 138.1 and the development impact fee may cover similar infrastructure but, as described more thoroughly in the *Streetscape Cost Memorandum* (March 20, 2014), the Section 138.1 requirements and the fee analyzed here will not overlap for several reasons. First, Section 138.1’s requirements have limited application in that, in most instances, they apply only to larger projects and are not mandatory. Second, the cost estimates outlined in this analysis anticipate both requirements and insure that they do not overlap by removing the cost of items in Section 138.1 from the costs used to calculate the fee. Thus, even if a particular development is subject to both Section 138.1 and this fee, the City is not requiring a project sponsor to pay for pedestrian and streetscape improvements already required as part of its project under Section 138.1.³⁴

The maximum supportable impact fee aims to ensure that new development contributes its fair share of funding to pedestrian and streetscape improvements. Because the LOS metric upon which the nexus is developed addresses demand of the entire service population, existing and projected, there is a clear relationship between new development, which increases housing and employment space, and an increase in pedestrian infrastructure.

This study estimates the maximum supportable fee based on the relationship between the cost to provide streetscape and pedestrian infrastructure and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for streetscape and pedestrian infrastructure combines the proposed streetscape and pedestrian infrastructure provision LOS metric with total population and employment growth projections and the cost to provide streetscape and pedestrian infrastructure.

LOS METRIC

Because streetscape and pedestrian infrastructure encompasses a wide range of components the LOS metric put forth in the *San Francisco Infrastructure Level of Service Analysis* – square feet of improved sidewalk per service

³⁴ Refer to the *Streetscape Cost Memorandum* (March 20, 2014) for a more detailed discussion.

population unit – serves as a proxy for all types of pedestrian-related improvements, and reflects the level of investment that the City has committed to making in the pedestrian environment.

‘Improved sidewalk’ is a term that denotes sidewalk with some amount of streetscape and pedestrian infrastructure, where streetscape and pedestrian infrastructure includes sidewalk space and relevant streetscape and pedestrian amenities in that space, such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco’s Public Works Code. While the proscription for improved sidewalk is not uniform across San Francisco (i.e. the BSP calls for different streetscape and pedestrian infrastructure improvements depending on the site considerations, the street type, the traffic patterns, and so on), the intent of the BSP is to improve all San Francisco streetscape. Therefore, the basic square footage of sidewalk is denoted ‘improved sidewalk’ to reflect the investments the City is committed to make in the pedestrian right-of-way in terms of streetscape and pedestrian infrastructure.

As noted in the *San Francisco Infrastructure Level of Service Analysis*, the City intends to provide 88 square feet of improved sidewalk per service population unit into the future. This metric assumes that, by 2030, the City will improve its current amount of sidewalk hardscape (115 million square feet³⁵), where the level of improvement will vary across streetscape segments based on street type, site conditions, built environment constraints, traffic patterns, and so on, as per the BSP.

GROWTH PROJECTIONS

The development horizon for streetscape and pedestrian infrastructure is 2030. Between 2013 and 2030, San Francisco is projected to house 127,040 more people and employ 106,108 more workers, as shown in Table 16.

Table 16. Growth Projections for Streetscape and Pedestrian Infrastructure (2013 - 2030)

	2013	2030	Growth (2013 - 2030)	Percent Increase
Population				
Population	820,585	947,625	127,040	15%
Employment				
Jobs	600,740	706,848	106,108	18%
Service Population				
Service population ¹	1,120,955	1,301,049	180,094	16%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: All values rounded to the nearest integer.

1. Service population is a weighted sum of residents and employees, where residents are weighted at 100% and employees are weighted at 50%. Service population equals one times the number of residents plus 0.5 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

³⁵ This value is based on AECOM’s analysis of DPW’s database of sidewalk data (Stwidths1.xls). Refer to the *San Francisco Infrastructure Level of Service Analysis* report.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 17) calculates the total cost of providing adequate pedestrian and streetscape elements for San Francisco's service population (2013-2030).

In order to assign a development cost to the new infrastructure, a conservative value of \$43 per square feet of improved sidewalk is applied. This number is based on DPW estimates for the cost of undertaking streetscape improvements, in accordance with the BSP.³⁶ The value does not reflect the cost of installing all possible streetscape improvements or the cost of constructing a complete street as per the Public Works Code (Section 2.4.13); rather, this value reflects the cost of installing some streetscape amenities, representative of the average San Francisco sidewalk improvement project. To develop the cost estimate, DPW provided costs for five prototypical streetscape and pedestrian infrastructure improvement projects. The five prototypical projects include: (1) a project where no streetscape and pedestrian infrastructure improvements are undertaken; (2) a project where curb ramps are installed or upgraded; (3) a project where sidewalks are repaved and bulb-outs constructed; (4) a project where sidewalks are repaved, bulb-outs are constructed, and streetscape amenities such as benches, trash cans, lighting, and street trees are installed; and (5) a project where sidewalks are repaved and widened, bulb-outs are constructed, and streetscape amenities such as benches, trash cans, lighting, street trees, medians, special crosswalk paving, pedestrian signals, and accessible pedestrian signals are installed. These five projects range from basic to elaborate. The average cost across these five prototypical projects represents an average cost to construct improved sidewalk. This cost was applied to reflect that not all sidewalks offer all streetscape amenities, and to ensure that developers are held to a reasonable standard that reflects what the City provides. Note that although an average cost value is used, reflecting a suite of possible streetscape elements, the fees may be used for any streetscape and pedestrian improvement measure outlined in the BSP or Public Works Code (Section 2.4.13).

The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

³⁶ Refer to the *Streetscape Cost Memorandum* (March 20, 2014) – listed in Appendix A and included in the accompanying background materials compact disc – for a detailed discussion of the streetscape cost estimate.

Table 17. Nexus Methodology for Streetscape and Pedestrian Infrastructure Fee

* Measure	Value	Source / Calculation
Service Population		
A Total projected service population (2030)	1,301,049	Table 16
B Total new service population (2013-2030)	180,094	Table 16
Unit Conversions		
C Residential (SF/service population)	498	Table 4
D Commercial (SF/service population)	654	Table 4
Metric		
E SF of improved sidewalk per service population	88	<i>San Francisco Infrastructure Level of Service Analysis</i> report (March 2014)
Cost		
F City estimate of unit cost (\$/SF of improved sidewalk)	\$43	<i>Streetscape Cost Memorandum</i> (March 20, 2014)
G Total cost for new streetscape improvements	\$681,476,000	B * E * F
H Cost attributable to incremental growth	\$681,476,000	G * 100%
I Administrative costs (5% of fee)	\$34,074,000	<i>Administrative Cost Memorandum</i> (November 4, 2013)
J Total attributable cost with administrative costs	\$715,550,000	H* (1 + I)
Justified Nexus Fee Maximums		
Residential (\$/GSF)	\$7.98	J / (B * C)
Non-Residential (\$/GSF)	\$6.08	J / (B * D)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line I (which is rounded to the nearest dollar), and the nexus fee maximums (which are rounded to the nearest cent)).

NEXUS FINDINGS

Based on the approach summarized in Table 17, the maximum supportable residential fee is \$7.98 per gross square foot, and the maximum supportable non-residential fee is \$6.08 per gross square foot

Table 18. Maximum Supportable Impact Fees for Streetscape and Pedestrian Infrastructure

	Maximum supportable Citywide Fee
Total Streetscape Fee	
Residential (\$/GSF)	\$7.98
Non-Residential (\$/GSF)	\$6.08

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

As Table 19 demonstrates, both the residential and the non-residential maximum supportable nexus fees are above the highest fees currently charged. The highest existing residential fee for streetscape and pedestrian infrastructure recovers 83 percent of the maximum supportable nexus; the highest existing non-residential fee recovers 35 percent of the maximum supportable nexus.

Table 19. Comparing Proposed Maximum Supportable Streetscape and Pedestrian Infrastructure Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$7.98	\$6.66	83%	YES
Non-Residential (\$/GSF)	\$6.08	\$2.14	35%	YES

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.



5. Bicycle Infrastructure

This chapter summarizes the nexus analysis for bicycle infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

BICYCLE INFRASTRUCTURE BACKGROUND

Bicycle infrastructure refers primarily to the City's bicycle network of bike lanes, bike paths, and sharrows, but also includes bicycle parking spaces, bicycle signals, and bicycle-sharing bikes and stations. Like streetscape and pedestrian infrastructure, bicycle infrastructure plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives. While not all residents and employees use bike infrastructure on a regular basis, improving the bicycle network benefits all, as it reduces congestion in other forms of transportation, and lowers the carbon emissions from the transportation sector.³⁷

As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and improved) bicycle infrastructure. This relationship between new development, an influx of residents and workers, and a demand for bicycle facilities provides the nexus for an impact fee. However, providing bicycle infrastructure – such as bicycle parking, bicycle signals, bicycle lanes, and bicycle-share bikes and stations – is a capital intensive undertaking. Bicycle infrastructure fees, levied on new development, are collected to help fund the construction of new bicycle infrastructure for the additional residents and workers directly attributable to new development. Other sources of funding for bicycle infrastructure include Caltrans, the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District, City propositions, and SFMTA.³⁸

PURPOSE AND USE OF REVENUES

The primary purpose of a bicycle infrastructure development impact fee is to fund capital improvements to San Francisco's bicycle infrastructure. As is thoroughly discussed in San Francisco's 2013 *SFMTA Bicycle Strategy*, the City aims to improve the bike environment for all of San Francisco's residents and employees to promote a

³⁷ San Francisco Municipal Transportation Agency, "San Francisco Bicycle Plan." 26 June, 2009.

³⁸ San Francisco Municipal Transportation Agency, "SFMTA Bicycle Strategy." January 2013. While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the CIP project list to be put forward for San Francisco Board of Supervisors (Board) approval in April 2014 based on this document. Although no plans exist to take the 2013 *Bicycle Strategy* to the Board for adoption, the project list derived from it will be taken to the Board for CIP approval (in April 2014).

higher bike mode share. The impact fees will be used to make improvements to San Francisco's bicycle infrastructure in line with the discrete implementation strategies of the *SFMTA Bicycle Strategy*.

The proposed maximum supportable impact fee aims to ensure that new development contributes its fair share of funding to bicycle infrastructure improvements.

As with all impact fees, the fee revenue may not be used to address existing infrastructure deficiencies.

This analysis assumes that the City will fund 100 percent of the development-based demand for bicycle infrastructure improvements through the fee. This study presents a maximum supportable fee assignment – however, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for bicycle infrastructure combines the proposed bicycle infrastructure project list with total population and employment growth projections, as well as the cost to provide bicycle infrastructure.

LOS METRIC

In 2013, the SFMTA produced the *SFMTA Bicycle Strategy*, outlining the proposed plan for San Francisco's bike network. This document sets the direction for bicycle infrastructure, and sets a distinct bicycle infrastructure goal for 2018. The *Bicycle Strategy* represents a comprehensive effort by SFMTA that has been accepted by SFMTA as its roadmap forward. As a result, the objectives of this policy form the basis for the nexus as opposed to an LOS metric standard.

The *Bicycle Strategy* outlines three potential scenarios for build-out of San Francisco's bike network by 2018. Of the three potential scenarios, the "Bicycle Plan Plus" scenario was selected, in consultation with SFMTA staff, as the best short-term infrastructure target for this nexus study. The Bicycle Plan Plus proposes upgrading the existing bicycle network to premium bike facilities, installing bike signals, adding bike parking spaces, and deploying a bike sharing system.³⁹ While the Bicycle Plan Plus improvements are through 2018, for the purposes of this nexus, it is assumed that the average annual improvements proposed in the Bicycle Plan Plus will continue through 2020, to allow for the impact fee to be calculated on an incremental basis through 2020. Table 20 summarizes the four improvement types expected as a result of the Bicycle Plan Plus strategy through 2020. The provision of these four items is the basis of the nexus.

³⁹ Premium facilities are bikeways rated Level of Traffic Street (LTS) 1 or LTS 2, based on San Francisco's Comfort Index rating of bikeways. Refer to the appended SFMTA presentation – "Bicycle Strategy Update Needs Assessment & Next Steps" (June 18, 2013) – for a more detailed description of bikeway classification in San Francisco. For further information on the bike sharing network see the *San Francisco Infrastructure Level of Service Analysis* report (March 2014).

Table 20. Bicycle Plan Plus Improvements

Improvements	Bicycle Plan Plus Proposal (2013-2018)	Assumed Incremental Improvements (2019-2020) ¹	Total Improvements Expected (2013-2020)
Incremental miles of premium bike lanes (2013-2020)	10	3	13
Incremental upgraded intersections (2013-2020)	10	3	13
Incremental bicycle parking (2013-2020)	4,000	1,333	5,333
Incremental bicycle share program bicycles (2013-2020) ²	500	167	667

Source: *SFMTA Bicycle Strategy*; AECOM, 2013.

1. These numbers reflect AECOM's projections based on the average annual infrastructure improvements identified by the Bicycle Plan Plus proposal.

2. The bicycle share program, in addition to 667 bicycles, includes 67 stations – i.e. 50 bicycle share program stations in the Bicycle Plan Plus proposal (2013-2018) plus 17 assumed incremental stations (2019-2020).

GROWTH PROJECTIONS

The development horizon for bicycle infrastructure is 2020. This shorter-term development horizon mirrors the timeframe of the *SFMTA Bicycle Strategy*. Between 2013 and 2020, San Francisco will house 51,866 more people and employ 76,791 more workers, as shown in Table 21.

Table 21. Growth Projections for Bicycle Infrastructure (2013 – 2020)

	2013	2020	Growth (2013 - 2020)	Percent Increase
Population				
Population	820,585	872,451	51,866	6%
Employment				
Jobs	600,740	677,531	76,791	13%
Service Population				
Service population ¹	1,120,955	1,211,217	90,261	8%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

1. Service population is a weighted sum of residents and employees, where residents are weighted at 100% and employees are weighted at 50%. Service population equals one times the number of residents plus 0.5 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 22 to Table 25) calculates the total cost of providing adequate bicycle infrastructure elements for San Francisco's service population (2013-2020). Because the new facilities will be used by both existing and new service population, the total cost of providing the bicycle improvements is split proportionally, and only the proportional cost of the improvements are assigned to new development. The costs are distributed between residential and non-residential land uses based on their associated contributions to total incremental service population growth.

The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

Table 22. Nexus Methodology for Upgrading Bikeway Miles to Premium Facilities Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental miles of premium bike lanes (2013-2020)	13	<i>SFMTA Bicycle Strategy</i>
Cost			
G	City estimate of unit cost (\$/mile of upgraded premium lane)	\$1,852,000	SFMTA Bicycle Strategy Cost Estimates ¹
H	Total cost for upgraded lanes	\$24,076,000	F * G
I	Cost attributable to incremental growth	\$1,806,000	C * H
J	Administrative costs (5% of fee)	\$90,000	<i>Administrative Cost Memorandum</i> (November 4, 2013)
K	Total attributable cost with administrative costs	\$1,896,000	I + J
Nexus Fee Maximums			
Residential (\$/GSF)		\$0.042	$K / (B * D)$
Non-Residential (\$/GSF)		\$0.032	$K / (B * E)$

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 23. Nexus Methodology for Upgrading Intersections Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental upgraded intersections (2013-2020)	13	SFMTA Bicycle Strategy
Cost			
G	City estimate of unit cost (\$/upgraded intersection)	\$71,250	SFMTA Bicycle Strategy Cost Estimates ¹
H	Total cost for upgraded intersection	\$926,000	F * G
I	Cost attributable to incremental growth	\$69,000	C * H
J	Administrative costs (5% of fee)	\$3,000	Administrative Cost Memorandum (November 4, 2013)
K	Total attributable cost with administrative costs	\$72,000	I + J
Nexus Fee Maximums			
Residential (\$/GSF)		\$0.002	K / (B * D)
Non-Residential (\$/GSF)		\$0.001	K / (B * E)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 24. Nexus Methodology for Bicycle Parking Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental bicycle parking (2013-2020)	5,333	SFMTA Bicycle Strategy
Cost			
G	City estimate of unit cost (\$/parking space)	\$280	SFMTA Bicycle Strategy Cost Estimates ¹
H	Total cost for bicycle parking spaces	\$1,493,000	F * G
I	Cost attributable to incremental growth	\$112,000	C * H
J	Administrative costs (5% of fee)	\$6,000	Administrative Cost Memorandum (November 4, 2013)
K	Total attributable cost with administrative costs	\$118,000	I + J
Nexus Fee Maximums			
Residential (\$/GSF)		\$0.003	$K / (B * D)$
Non-Residential (\$/GSF)		\$0.002	$K / (B * E)$

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 25. Nexus Methodology for Bicycle Sharing System Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental bicycle share program stations (2013-2020)	667	SFMTA Bicycle Strategy
Cost			
G	City estimate of unit cost (\$/bicycle share program stations)	\$6,600	SFMTA Bicycle Strategy Cost Estimates ¹
H	Total cost for stations	\$4,402,200	F * G
I	Cost attributable to incremental growth	\$330,000	C * H
J	Administrative costs (5% of fee)	\$17,000	Administrative Cost Memorandum (November 4, 2013)
K	Total attributable cost with administrative costs	\$347,000	I + J
Nexus Fee Maximums			
Residential (\$/GSF)		\$0.008	$K / (B * D)$
Non-Residential (\$/GSF)		\$0.006	$K / (B * E)$

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

NEXUS FINDINGS

Based on the approach summarized in Table 22 to Table 25, the maximum supportable residential fee is \$0.06 per GSF, and the maximum supportable non-residential fee is \$0.04 per GSF.

Table 26. Maximum Supportable Impact Fees for Bicycle Infrastructure

	Maximum Citywide Fee
Premium (LTS 1, 2) Network Miles	
Residential (\$/GSF)	\$0.042
Non-Residential (\$/GSF)	\$0.032
Upgraded Intersections	
Residential (\$/GSF)	\$0.002
Non-Residential (\$/GSF)	\$0.001
Bicycle Parking	
Residential (\$/GSF)	\$0.003
Non-Residential (\$/GSF)	\$0.002
Bicycle Share Bicycles (with Accompanying Stations)	
Residential (\$/GSF)	\$0.008
Non-Residential (\$/GSF)	\$0.006
Total Bicycle Infrastructure Fee	
Residential (\$/GSF)	\$0.06
Non-Residential (\$/GSF)	\$0.04

Source: AECOM, 2013

Note: All values rounded to the tenth of a cent, except for the fee totals which are rounded to the nearest cent.

As Table 27 demonstrates, both determined maximum supportable fees are above the highest existing fee for bicycle infrastructure. For both residential and non-residential fees, the highest existing fee recovers under 85 percent of the maximum supportable nexus.

Table 27. Comparing Proposed Maximum Supportable Bicycle Infrastructure Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential (\$/GSF)	\$0.06	\$0.05	83%	YES
Non-Residential (\$/GSF)	\$0.04	\$0.02	50%	YES





Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.

6. Conclusion

As described in the previous sections, the maximum supportable fees determined for the four infrastructure categories (recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) all exceed the highest current fees charged at either the citywide or neighborhood level. While the City may choose to charge a lesser fee to new residential or non-residential development, this report demonstrates that the current fees continue to be supported through a demonstrated nexus between new development and the scale of the fee.

Table 28. Potential Maximum Supportable Fees Per Infrastructure Category (2013)

	Citywide Nexus Fees	Maximum Supportable Fee
	Recreation and Open Space Provision	
	Residential (\$/GSF)	\$14.99
	Non-Residential (\$/GSF)	\$4.34
	Childcare	
	Residential (\$/GSF)	\$1.86
	Non-Residential (\$/GSF)	\$1.59
	Streetscape and Pedestrian Infrastructure	
	Residential (\$/GSF)	\$7.98
	Non-Residential (\$/GSF)	\$6.08
	Bicycle Infrastructure	
	Residential (\$/GSF)	\$0.06
	Non-Residential (\$/GSF)	\$0.04

Source: AECOM, 2013

Note: All values rounded to the nearest cent.





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Addendum

The bulk of this report was completed in 2013, using 2013 data, costs, and demographic projections. However, since the report was finalized in 2014 and will face adoption in 2014, the maximum supportable nexus fees in Table 28 must be adjusted from 2013 dollars to 2014 dollars.

The City annually adjusts all developer impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE). To derive an appropriate AICCIE, the Capital Planning Committee (CPC) reviews cost inflation data, market trend analyses, the Planning Department's pipeline report, and a variety of national, state, and local commercial and institutional construction cost inflation indices. In 2014, the CPC adopted an AICCIE of 4.5%. Therefore, all maximum supportable nexus fees determined in this report in 2013 dollars (Table 28) must be increased by 4.5% as an adjustment to 2014 dollars. The adjusted maximum supportable nexus fees for 2014 are shown in Table 29.

Table 29. Potential Maximum Supportable Fees Per Infrastructure Category (2014)

Citywide Nexus Fees		Maximum Supportable Fee
	Recreation and Open Space Provision	
	Residential (\$/GSF)	\$15.66
	Non-Residential (\$/GSF)	\$4.54
	Childcare	
	Residential (\$/GSF)	\$1.94
	Non-Residential (\$/GSF)	\$1.66
	Streetscape and Pedestrian Infrastructure	
	Residential (\$/GSF)	\$8.34
	Non-Residential (\$/GSF)	\$6.35
	Bicycle Infrastructure	
	Residential (\$/GSF)	\$0.06
	Non-Residential (\$/GSF)	\$0.04

Source: AECOM, 2014

Note: All values rounded to the nearest cent.

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Appendix A

This appendix includes a list of all documents, presentations, emails, spreadsheets, webpages, and other reference sources cited in the text of this report. For the full-text copies of any of the listed documents, refer to the accompanying compact disc.

List of Documents Cited

Document Title / Citation	File Name
<i>Service Population Concept Memorandum</i> (September 24, 2013)	Service_Population_Concept_Memorandum_20130924.doc
Belsky, Eric. <i>Rental Vacancy Rates: A Policy Primer</i> . National Association of Home Builders. Housing Policy Debate, Volume 3, Issue 3. 793-813. 1992.	Rental_Vacancy_Rates_Belsky_1992.pdf
<i>Eastern Neighborhoods Impact Fee and Affordable Housing Analysis</i>	EN_Nexus_2008.pdf
Hausrath Economics Group. <i>Phoenix Park and Library EDU Factors Study</i> . A Report to City of Phoenix Planning Department. September 1998.	Phoenix_Library_Report_1998.pfd
<i>Administrative Cost Memorandum</i> (November 4, 2013)	Administrative_Cost_Memo_20131104.pdf
<i>Parks Acquisition Policy</i> (August 2011)	RPD_Acquisition_Policy_2011.pdf
<i>RPD Cost Assumptions Memorandum</i> (March 26, 2014)	RPDCostAssumptionsMemo_20140326.pdf
<i>FY 2010-2011 Development Impact Fee Report</i> . Controller's Office. City and County of San Francisco. December 1, 2011.	Development_Impact_Fee_Report_2011.pdf
<i>CPAC San Francisco Child Care Needs Assessment</i> (2007)	ChildCareNeedsAssessment_2007.pdf
<i>San Francisco Better Streets Plan</i> (December 7, 2010)	BetterStreetsPlan_20101207.pdf
<i>Streetscape Cost Memorandum</i> (March 20, 2014)	StreetscapeCostMemo_20140320.pdf
<i>SFMTA Bicycle Strategy</i> (January 2013)	SFMTABicycleStrategy_20130129.pdf
<i>San Francisco Bicycle Plan</i> (June 26, 2009)	SFBicyclePlan_20090626.pdf

List of Presentations Cited

Presentation Description	File Name
Slides from MTC's complete streets policy workshop	MTC_Complete_Streets_Policy_Workshop_slides.pdf
Slides from CPC presentation of 2014 AICCIE	2014_AICCIE_Presentation.pdf
SFMTA presentation entitled "Bicycle Strategy Update Needs Assessment & Next Steps" (June 18, 2013)	SFMTA_BicycleStrategyUpdatePresentation_20130618.pdf

List of Emails Cited

Email Description	File Name
Average employment densities	EmploymentDensities_Email_FromAOlsen_ToVLauf_20130715.pdf
Average residential unit size	AvgResUnitSize_Email_FromKDischinger_ToARoth_20130626.pdf
Confirmation from RPD regarding the commitment to construct 55 acres of recreation and open space by 2030 and the infeasibility of constructing 566 acres	RPDAcreages_Email_FromDKamalanathan_ToVLauf_20140214.pdf
Bicycle Strategy as the basis for bicycle infrastructure CIP project list	BicycleStrategybasisforCIPprojectlist_Email_FromSReynolds_ToVLauf_20140116.pdf
Cost per child care slot	ChildCareSlotCost_Email_FromGDobson_ToARoth_20131003.pdf

List of Spreadsheets Cited

Spreadsheet Description	File Name
Apportionment of existing community fees among infrastructure categories	Max_fee_by Category_Planned.xlsx
Population and employment projections from San Francisco Planning Department received by AECOM on May 14, 2013 from Aksel Olson, Planner/Geographer in Citywide Information and Analysis Group, San Francisco Planning Department (GIS export)	Pop&EmplProjections_GISExport_20130611.xlsx
Supporting spreadsheet for RPD Cost Assumptions Memorandum	RPDCostAssumptionsMemoCalcs_20140321.xlsx
DPW spreadsheet of sidewalk widths across the city	Stwidths1.xls
AECOM analysis of DPW's sidewalk width data	20130814_SF Nexus_sidewalks.xlsx
Cost estimate for bicycle infrastructure	Bike_Strategy_Cost_Estimate_20121101.xlsx
AECOM analysis of cost estimate for bicycle infrastructure	Bike_Strategy_Cost_Estimate_20121101_AECOM.xlsx
Average household size from ACS data (DP02)	ACS_11_3YR_DP02.pdf
Child population projections from DOF data	P-3_Total_DetailedAge_CAProj_2010-2060.pdf

List of Webpages Cited

Webpage Citation	File Name
Peterson, Justin. San Francisco Apartment Sector Amongst the Strongest. Reis Report.	San_Francisco_Apartment_Sector_ReisReport_20121003.pdf
Jones Lang Lasalle. Office Outlook: United States. Q2 2013.	USOO_Q2_2013.pdf
CoStar. Market Trend: San Francisco's Retail Vacancy Decreases to 2.7%.	San_Francisco's_Retail_Vacancy_Decreases_Costar_20130726.pdf
Krainer, John. Natural Vacancy Rates in Commercial Real Estate Markets. Federal Reserve Bank of San Francisco. October 5, 2001.	Natural_Vacancy_Rates_FRBSF_20011005.pdf

List of Meeting Notes Cited

Meeting Notes Description	File Name
Meeting notes showing acreage of City-owned recreation and open space	CityOwnedAcreage_MtgNotes_20131114.pdf

From: [Raina Christeson](#)
To: [Melgar, Myrna \(BOS\)](#); [MelgarStaff \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [PeskinStaff \(BOS\)](#); [Preston, Dean \(BOS\)](#); [PrestonStaff \(BOS\)](#)
Cc: [Major, Erica \(BOS\)](#); [Alex Bastian](#)
Subject: Hotel Council Letter of Support for Ordinance to Amend Building Code - File #230764
Date: Friday, July 21, 2023 4:28:53 PM
Attachments: [Outlook-lpe0jff5.png](#)
[Letter of Support - Proposed Ordinance to Amend Planning Code, File No. 230764.pdf](#)
[Letter of Support - Proposed Ordinance to Amend Planning Code, File No. 230764.pdf](#)

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Members of the Board of Supervisors' Land Use & Transportation Committee,

Please see the attached letter of support from Alex Bastian, President & CEO of the Hotel Council of San Francisco, for the proposed Ordinance to amend the Planning Code - File No. 230764 [Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus Study]. We strongly encourage you to support the proposed Ordinance as we believe it will streamline the development process in ways that are beneficial to our hospitality community without negatively impacting affordable housing production. We believe this will foster an attractive environment for investment in key assets including hotels, bars, restaurants, and entertainment in crucial areas of downtown, enriching the experience of city life for our workers, residents, and visitors.

Thank you for considering our input.

Best,
Raina


Hotel Council
—OF—
SAN FRANCISCO
Raina Christeson
Pronouns: she/her/they/them
Administrative Intern
[Hotel Council of San Francisco](#)



July 21, 2023

San Francisco Board of Supervisors
Land Use and Transportation Committee
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Members of the Board of Supervisors,

On behalf of the Hotel Council of San Francisco, I offer our full support for the proposed Ordinance to amend the Planning Code, File No. 230764 [Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus Study].

We support the proposal to modify the annual indexing of certain development impact fees as this will help to create predictability in how the City's impact fees escalate from year to year, minimizing challenges to feasibility for new projects. We also support the proposal to enable developments to waive the portion of their fees that are relevant for hotel, restaurant, bar, and entertainment uses if those are already included in the development. We believe that this will incentivize those uses benefiting our stakeholders, the hospitality industry, and city as a whole. In addition, we support the proposal to temporarily exempt eligible development projects in specific zones including PDR, C-2 and C-3 Zoning Districts from all development impact fees, which we hope will encourage investment and incentivize growth in areas that have a positive impact on the hospitality industry, and by extension, our broader community. Furthermore, we support the proposal to allow the deferral of certain development impact fees until issuance of the first certificate of occupancy, as this would enable flexibility for developers inevitably facing financial realities in the initial stages of a project. Lastly, we support the proposal to adopt the San Francisco Citywide Nexus Analysis supporting existing development fees to make conforming revisions to Article 4 of the Planning Code.

We strongly endorse the proposed modifications to the Planning Code outlined in the Ordinance. We believe that the proposed changes will help to streamline the development process and enable flexibility for developers while encouraging investments in uses that benefit our stakeholders. We believe that these changes will create an attractive environment for investment in our downtown, paving the way for sustainable and feasible development that benefits our hospitality community while enriching the experience of city life for our workers, residents, and visitors.

Respectfully,

A handwritten signature in blue ink, appearing to read "Alex Bastian".

Alex Bastian
President & CEO, Hotel Council of San Francisco



July 21, 2023

San Francisco Board of Supervisors
Land Use and Transportation Committee
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Members of the Board of Supervisors,

On behalf of the Hotel Council of San Francisco, I offer our full support for the proposed Ordinance to amend the Planning Code, File No. 230764 [Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus Study].

We support the proposal to modify the annual indexing of certain development impact fees as this will help to create predictability in how the City's impact fees escalate from year to year, minimizing challenges to feasibility for new projects. We also support the proposal to enable developments to waive the portion of their fees that are relevant for hotel, restaurant, bar, and entertainment uses if those are already included in the development. We believe that this will incentivize those uses benefiting our stakeholders, the hospitality industry, and city as a whole. In addition, we support the proposal to temporarily exempt eligible development projects in specific zones including PDR, C-2 and C-3 Zoning Districts from all development impact fees, which we hope will encourage investment and incentivize growth in areas that have a positive impact on the hospitality industry, and by extension, our broader community. Furthermore, we support the proposal to allow the deferral of certain development impact fees until issuance of the first certificate of occupancy, as this would enable flexibility for developers inevitably facing financial realities in the initial stages of a project. Lastly, we support the proposal to adopt the San Francisco Citywide Nexus Analysis supporting existing development fees to make conforming revisions to Article 4 of the Planning Code.

We strongly endorse the proposed modifications to the Planning Code outlined in the Ordinance. We believe that the proposed changes will help to streamline the development process and enable flexibility for developers while encouraging investments in uses that benefit our stakeholders. We believe that these changes will create an attractive environment for investment in our downtown, paving the way for sustainable and feasible development that benefits our hospitality community while enriching the experience of city life for our workers, residents, and visitors.

Respectfully,

A handwritten signature in blue ink, appearing to read "Alex Bastian".

Alex Bastian
President & CEO, Hotel Council of San Francisco

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: July 19, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Mayor Breed on July 11, 2023:

File No. 230764-2

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Referral from the Board of Supervisors
Land Use and Transportation Committee
Page 2

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Erica.Major@sfgov.org.

cc: Patty Lee, Department of Building Inspection

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [BOS Legislation \(BOS\)](#); [Major, Erica \(BOS\)](#)
Subject: FW: Inclusionary and Developer Impact Fee Reduction package
Date: Thursday, July 13, 2023 1:43:11 PM

Hello,

Please see below for communication from Lorraine Petty regarding File Nos. 230769 and 230764.

File No. 230769 - Planning, Administrative Codes - Development Impact Fee Reductions
(Peskin, Safai)

File No. 230764 - Planning, Building Codes - Development Impact Fee Indexing, Deferral, and
Waivers; Adoption of Nexus Study (Mayor)

Sincerely,

Joe Adkins
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Phone: (415) 554-5184 | Fax: (415) 554-5163
board.of.supervisors@sfgov.org | www.sfbos.org

From: lgpetty@juno.com <lgpetty@juno.com>
Sent: Wednesday, July 12, 2023 10:17 PM
To: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>
Subject: Re: Inclusionary and Developer Impact Fee Reduction package

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

July 12, 2023

Dear Supervisor, below is a copy of email urging CONTINUATION of proposed Inclusionary legislation sent today to the Planning Commissioners

Re:Inclusionary and Development Impact Fee Reduction proposals for July 13, 2023
2023-005422PCA (Board file 230769) and 2023-005461PCA (Board file 230764) Items #15 and 16

Dear President Tanner and Planning Commissioners:

I urge you to continue this Inclusionary and Developer Impact Fee Reduction package. There may be a need for these in the future, but I believe there is no justifiable reason to cut the affordable units and fee requirements on new market rate construction:

Because the Inclusionary requirements are not THE cause, or even partial cause, for the slowdown in market rate construction. And since we have a huge surplus of ready-to-rent or buy market rate apartments and condos, there is no lack of move-in available market rate units.

San Franciscans have confirmed, in survey after survey, their Number One overwhelming need is for affordable housing. And the State RHNA's require 46,000 affordable units be built in San Francisco by 2031. Clearly, now is not the time to reduce any contribution to affordable housing.

Market rate construction has slowed down lately because of the FED raising interest rates and the sharp decrease in high-income people moving into San Francisco. Some developers indeed admitted that they can't "pencil out" until there are enough high income people to pay high asking prices.

Similarly, I believe there is no reason to reduce Developer Impact Fees which would force San Francisco to pick up the tab for infrastructure required for new market rate construction—whether PDR, housing or commercial. Any and all of it requires more city services and physical street improvements that developers are supposed to cover in return for increased value and profits.

This Impact Fee aspect of today's proposal has received hardly any attention in the press and for that reason alone should require more time for the public to be fully informed. An issue that needs more scrutiny is whether these "temporary" reductions would lead to a stockpiling of fee-less and affordable unit-less entitlements, subject to extension by some unknown future Board of Supervisors.

Looking at the larger picture -- the combined sum of density, fee and zoning changes being enacted is already fulfilling an enormous deregulation wish list, mostly for market rate developers.

We are adding density while slashing neighborhood notification and public hearings-- somewhat upon orders of the State, but, in my view, going far beyond what is mandated in what seems like a panicky reaction to a not unexpected, and temporary, economic slowdown.

I can only conclude that this Inclusionary AND Impact Fee reduction plan is just some completely gratuitous icing on the cake: uncalled for, and inappropriate under this context. Not to mention that it's astonishing that anyone could propose cutting affordable housing when the need is practically infinite.

Further, to reduce affordable housing and infrastructure fees now, would be to break faith with voters and all those counting on these contributions --breaching cultural, neighborhood and geographical agreements, as well as our present and future social and equity contracts.

Furthermore, if this legislation is promoted on the basis that it was recommended by the Inclusionary Housing Technical Advisory Committee--that is a false premise. The committee is divided between affordable building advocates and market rate building proponents. What they presented was a list of irreconcilable suggestions, some of which stray beyond the Committee's scope. It was not a collaborative consensus. Nor was it a prescribed program with specific components and parameters.

Turning to provisions for the future composition of Advisory Committees, I believe the terms of members should be finite. The process of appointing Advisory Committee members and their terms should not be altered. To do so would invite even more politics and pre-determined agendas into Committee discussions.

In conclusion, it may be prudent to improve fee-collecting processes; but dangerous to throw away a

major portion of the actual fees.
I urge you to continue these proposals.
Thank you for your consideration.

Lorraine Petty
Affordable housing & tenant protection advocate for Seniors and people with disabilities
District 2 resident

President, District 3
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-7450
Fax No. 554-7454
TDD/TTY No. 544-6546

Aaron Peskin

PRESIDENTIAL ACTION

Date: 07/14/2023
To: Angela Calvillo, Clerk of the Board of Supervisors

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2023 JUL 14 PM 4:38
BY [Signature]

Madam Clerk,
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 230764 Mayor
(Primary Sponsor)

Title. Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of

Transferring (Board Rule No 3.3)

File No. _____
(Primary Sponsor)

Title. _____

From: _____ Committee

To: _____ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: _____ Replacing Supervisor: _____

For: _____ Meeting
(Date) (Committee)

Start Time: _____ End Time: _____

Temporary Assignment: Partial Full Meeting

[Signature]
Aaron Peskin, President
Board of Supervisors



MYRNA MELGAR

DATE: July 19, 2023

TO: Angela Calvillo
Clerk of the Board of Supervisors

FROM: Supervisor Myrna Melgar, Chair, Land Use and Transportation Committee

RE: Land Use and Transportation Committee
COMMITTEE REPORTS

A handwritten signature in blue ink, appearing to read "mm", located to the right of the "FROM:" line.

Pursuant to Board Rule 4.20, as Chair of the Land Use and Transportation Committee, I have deemed the following matters are of an urgent nature and request them be considered by the full Board on Tuesday, July 25, 2023, as Committee Reports:

- File No. 230800** **Acceptance and Recording of Avigation Easement - SyNoor LLC - 410 Noor Avenue, South San Francisco**
- Resolution authorizing the acceptance and recording of an avigation easement by the City and County of San Francisco from SyNoor LLC for the development at 410 Noor Avenue in South San Francisco, California, at no cost to the City and County of San Francisco; to authorize the Director of Property to enter into amendments or modifications to the grant of avigation easement that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of this Resolution; and making findings under the California Environmental Quality Act and affirming the Planning Department
- File No. 230779** **Street Naming - Portions of Palo Alto Avenue to La Avanzada Street and Dellbrook Avenue**
- Sponsor: Melgar
- Resolution renaming a segment of Palo Alto Avenue to La Avanzada Street from its new terminus at 241 Palo Alto Avenue westward to its intersection with Dellbrook Avenue and renaming the remaining segment of Palo Alto Avenue between its intersection with Dellbrook Avenue and its westward terminus at Clarendon Avenue to Dellbrook Avenue.
- File No. 230559** **Planning, Building, Fire Codes - Small Business Month Fee Waivers Including for Awning Installation and Business Signs**
- Sponsor: Engardio
- Ordinance amending the Planning, Building, and Fire Codes to codify the annual waiver of awning replacement fees and awning sign fees applied for during the month of May, to annually waive fees for Business Signs and new awning installations applied for during the months of May 2023 and

May 2024, and to indicate that the Planning Code, Building, and Fire Code waivers pertaining to pedestrian street lighting as well as awning replacement, awning installation, and awning sign fees are keyed to permit application in May rather than permit issuance in May; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

File No. 230818

Supporting California State Senate Bill No. 532 (Wiener) - The Safe, Clean & Reliable Bay Area Public Transportation Emergency Act

Sponsors: Mandelman; Melgar and Dorsey

Resolution supporting California State Senate Bill No. 532, introduced by Senator Scott Wiener, enabling the San Francisco Bay Area to raise funds to prevent a medium-term public transportation operations budget shortfall while requiring transit safety, cleanliness, and reliability improvements.

File No. 230764

Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers; Adoption of Nexus Study

Sponsor: Mayor

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts, and the C-2 (Community Business) and C-3 (Downtown Commercial) Zoning Districts from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

File No. 230769

Planning, Administrative Codes - Development Impact Fee Reductions

Sponsors: Peskin; Safai

Ordinance amending the Planning Code to: 1) reduce Inclusionary Housing Program requirements of the Planning Code, for projects exceeding a stated unit size that have been approved prior to November 1, 2023, and that receive a first construction document within a specified period; 2) adopt a process for those projects to request a modification to conditions of approval related to development impact fees, subject to delegation by the

Planning Commission; 3) reduce Article 4 development impact fees, including Inclusionary Affordable Housing fees, for projects approved before November 1, 2026, that receive a first construction document within 30 months of entitlement; and 4) modify the Inclusionary Housing Program Ordinance effective November 1, 2026, to reduce applicable fees, and on-site or off-site unit requirements, for projects that exceed a stated unit size; amending the Administrative Code to update the Inclusionary Housing Technical Advisory Committee member requirements; affirming the Planning Department's determination under the California Environmental Quality Act; making public necessity, convenience, and welfare findings under Planning Code, Section 302; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

File No. 230026

Planning, Subdivision, and Administrative Codes and Zoning Map - Family Housing Opportunity Special Use District

Sponsors: Melgar; Engardio

Ordinance amending 1) the Planning Code to create the Family Housing Opportunity Special Use District; 2) the Planning Code to authorize the greater of up to four units or one unit per 1,000 square feet of lot area on individual lots in the RH (Residential, House) District, the greater of up to twelve units or one unit per 1,000 square feet of lot area on three merged lots and the greater of up to eight units or one unit per 1,000 square feet of lot area on two merged lots in RH-1 (Residential, House: One Family) districts, and Group Housing in RH-1 districts for eligible projects in the Special Use District; 3) the Planning Code to exempt eligible projects in the Special Use District from certain height, open space, dwelling unit exposure, and rear-yard requirements, conditional use authorizations, and neighborhood notification requirements; 4) the Subdivision Code to authorize eligible projects in the Special Use District to qualify for condominium conversion or a condominium map that includes the existing dwelling units and the new dwelling units that constitute the project; 5) the Administrative Code to require new dwelling or group housing units constructed pursuant to the density limit exception to be subject to the rent increase limitations of the Rent Ordinance; 6) the Zoning Map to show the Family Housing Opportunity Special Use District; and affirming the Planning Department's determination under the California Environmental Quality Act, and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1, and findings of public necessity, convenience, and welfare under Planning Code, Section 302.

These matters will be heard in the Land Use and Transportation Committee at a Regular Meeting on Monday, July 24, 2023, at 1:30 p.m.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: July 17, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230764-2
Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers;
Adoption of Nexus Study

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
 - Ballot Measure

- Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - General Plan
 - Planning Code, Section 101.1
 - Planning Code, Section 302

- Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)

- General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
 - Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - Mills Act Contract (*Government Code, Section 50280*)
 - Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

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TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: June 30, 2023
To: Planning Department / Commission
From: Erica Major, Clerk of the Land Use and Transportation Committee
Subject: Board of Supervisors Legislation Referral - File No. 230764
Planning, Building Codes - Development Impact Fee Indexing, Deferral, and Waivers;
Adoption of Nexus Study

- California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - Ordinance / Resolution
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- Amendment to the Planning Code, including the following Findings:
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- Historic Preservation Commission
 - Landmark (*Planning Code, Section 1004.3*)
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Please send the Planning Department/Commission recommendation/determination to Erica Major at Erica.Major@sfgov.org.

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MEMORANDUM

TO: Patrick O'Riordan, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: June 30, 2023

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Mayor Breed on June 27, 2023:

File No. 230764

Ordinance amending the Planning Code to 1) modify the annual indexing of certain development impact fees, with the exception of inclusionary housing fees; 2) provide that the type and rates of applicable development impact fees, with the exception of inclusionary housing fees, shall be determined at the time of project approval; 3) exempt eligible development projects in PDR (Production, Distribution, and Repair) Districts and the C-2 (Community Business) District from all development impact fees for a three-year period; 4) allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy; and 5) adopt the San Francisco Citywide Nexus Analysis supporting existing development impact fees for recreation and open space, childcare facilities, complete streets, and transit infrastructure and making conforming revisions to Article 4 of the Planning Code; amending the Building Code to allow payment of development impact fees, with the exception of fees deposited in the Citywide Affordable Housing Fund, to be deferred until issuance of the first certificate of occupancy and repealing the fee deferral surcharge; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

The proposed ordinance is being transmitted pursuant to Charter, Section D3.750-5, for public hearing and recommendation. It is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Referral from the Board of Supervisors
Land Use and Transportation Committee
Page 2

Please forward me the Commission's recommendation and reports at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: Erica.Major@sfgov.org.

cc: Patty Lee, Department of Building Inspection



Fact Sheet: Housing Fee Reform Plan

Mayor London N. Breed and President of the Board of Supervisors Aaron Peskin have proposed a Housing Fee Reform Plan that will unlock the housing pipeline and accelerate the planning, approval and construction of existing and new projects citywide.

The Housing Fee Reform Plan is composed of two pieces of legislation that will reduce inclusionary housing requirements on new and already approved development projects and reform and defer development impact fees in order to spur development projects and economic activity.

This legislation is a key piece of Mayor Breed's [Housing For All Plan](#), which is the City's effort to allow for 82,000 new homes to be built over the next 8 years. This legislation meets obligations set out in the City's Housing Element, which was unanimously approved by the Board of Supervisors in January and certified by the State.

Inclusionary Housing Legislation

The Inclusionary Housing legislation will reduce inclusionary requirements for both Pipeline Projects – those that are already approved by the City – and new housing projects. By setting these requirements based on data, San Francisco can remove a significant barrier to new housing being built.

Technical Advisory Committee Findings

The Inclusionary Housing legislation was born out of the Affordable Housing Technical Advisory Committee (TAC), a group of development and affordable housing experts appointed by the Mayor and Board of Supervisors that advises the City on the Inclusionary Housing Program. The TAC, which is convened by the Controller, met four times between October 2022 and April 2023, studied ten development prototypes, and found that residential development is not financially feasible in San Francisco under the current inclusionary housing rates.

Lowering Rates to Ensure Housing is Built

The Inclusionary Housing legislation proposes following the TAC recommendations by lowering the inclusionary housing percentage to a range between 12% - 16% affordable. This will improve financial feasibility and maximize production of both market rate and inclusionary housing.

The Inclusionary Housing legislation provides special relief to Pipeline Projects, which represent thousands of units in San Francisco. These are projects that have spent years securing land, obtaining City approvals and advancing design work, but have also been subject to significant construction cost and interest rate increases during those years, which has seriously undermined their financial feasibility. By easing the burden on these projects to as low as 12%, more will be able to assemble financing and begin construction, resulting in new housing, construction jobs, and growth of the City's tax base.



Reducing Additional Fees by 33%

In addition to reducing the percent of new units that are required to be built as affordable to a more feasible level, the Inclusionary Housing legislation will also reduce all other development impact fees by 33% over the next three years. These are fees that development projects are required to pay, which over time have become a serious financial burden on new development projects. These fees have increased by more than 30% over the last five years alone. These costs are imposed on projects already struggling to bear increased construction costs and interest rates, resulting in many projects simply not able to finance the construction of new housing and commercial space.

Impact

This legislation has the potential to unlock almost 8,000 already approved but unbuilt units across the City. In our Downtown areas alone, there are over 2,500 units in this pipeline that when built, will accelerate the mixed use vision set forth in the Mayor's Downtown Roadmap. There are over 10,000 units in proposed projects that are not yet approved that will be able to take advantage of the reduced inclusionary package, which will enable them to move more quickly from approval into construction.

The Impact Fee Reform legislation

The Impact Fee Reform legislation will make important changes to the way that the City sets, imposes, and collects the myriad development impact fees that are required. Importantly it creates predictability and stability by setting a flat rate at which impact fees increase over time, assigns fees when a project is approved, and reinstates a fee deferral program to allow projects to pay once they've broken ground. The legislation also waives fees for certain commercial developments as part of economic recovery.

Stabilizing Impact Fee Values

Currently, most City development impact fees are increased each year by the Annual Infrastructure Construction Cost Inflation Estimate (AICCE). This index is produced by the City's Office of Resilience and Capital Planning to project construction cost escalation for the upcoming calendar year, used primarily to inform the cost estimates for future capital projects. While an appropriate tool for capital planning and budgeting, using this index to escalate impact fees results in unpredictable and aggressive escalation for development impact fees. By setting development impact fees to escalate at a flat 2% rate each year, both the projects that pay these fees as well as City departments that spend the fees will have certainty about what the fee rates will be in future years.

Changing When Impact Fees are Assigned and Paid

The Impact Fee Reform legislation changes how development impact fees are imposed, so that the fee rates are set when a project is approved by the City, as opposed to the current practice of not finalizing the rates until a project breaks ground. This will provide additional certainty for projects that the impact fees won't continue to escalate unpredictably during a long permitting process. The legislation also reinstates the fee deferral program, allowing projects to pay impact fees after construction, instead of before construction as is currently the practice. In a high interest rate environment, this change will result in significant savings on financing costs, rendering more projects financially feasible and able to move forward, providing housing, jobs, and tax revenue.

Housing Fee Reform Plan
Summary of Legislation - 6.27.23

Pipeline Projects

- Projects that are approved by City before November 1, 2023 can reduce the on-site inclusionary housing obligation to 12% and reduce all other inclusionary obligations (off-site, fee out) proportionately. For example:

	Rental		Ownership	
	On-Site	In Lieu Fee/Off-Site	On-Site	In Lieu Fee/Off-Site
Current Rates	22.0%	30.0%	24.0%	33.0%
Reduced Rates for Pipeline Projects	12.0%	16.4%	12.0%	16.4%
<i>% Reduction for Pipeline Projects</i>	<i>45.5%</i>	<i>45.5%</i>	<i>50.0%</i>	<i>50.4%</i>

- In no case shall a project have its inclusionary rate reduced below 12%
- During this period, for entitled projects, inclusionary rates for rental and ownership projects will be collapsed to a single rate, set at the rental rate. For example:
 - Both rental and ownership citywide **on site** rate set at 12%.
 - Both rental and ownership citywide **fee out and off site** at 16.4%.
- Area plans with higher inclusionary rates will be reduced proportionately.
- Maintain existing proportion of three designated income tiers for BMRs.
- Additionally, Pipeline projects can reduce all other impact fees by 33%, as long as they get a first construction document by May 1, 2029.
- Pipeline projects may apply to the Planning Department for this reduction between November 1, 2023 and November 1, 2026. If project is seeking no modification of conditions of approval other than what is outlined in this legislation (inclusionary reduction, fee reduction, time extension, and adjustments to maintain state density bonus eligibility) it will be a staff level review and approval.
- If other modifications are needed, Pipeline Projects will need to go back to the Planning Commission, but will still be eligible for inclusionary and impact fee reductions.
- Pipeline Projects that get this reduction would need to get a first construction document by May 1, 2029 in order to keep reduced inclusionary and reduced impact fees. If they do not reach this milestone, the inclusionary rate will adjust to what is in effect at that time.
- This option will only apply to projects with 25+ units. No change to projects with 1-24 units.
- This option will not apply to Development Agreements.
- This option will not allow projects that have elected to meet their inclusionary obligation through a land dedication to change the terms of that land dedication.
- This option will not allow any project that has already met their inclusionary obligation through the payment of fees or dedication of land to claw back any portion of those fees or land.

New projects – Next three years

- For projects approved by City between November 1, 2023 and November 1, 2026, on-site inclusionary housing obligation is reduced to 15% and all other inclusionary obligations (off-site, fee out) are reduced proportionately. For example:

	Rental		Ownership	
	On-Site	In Lieu Fee/Off-Site	On-Site	In Lieu Fee/Off-Site
Current Rates	22.0%	30.0%	24.0%	33.0%
Reduced Rates for New Projects (Next 3 years)	15.0%	20.5%	15.0%	20.5%
<i>% Reduction for New Projects (Next 3 years)</i>	<i>31.8%</i>	<i>31.8%</i>	<i>37.5%</i>	<i>38.0%</i>

- During this period, inclusionary rates for rental and ownership projects will be collapsed to a single rate, set at the rental rate. For example:
 - Both rental and ownership citywide **on site** rate set at 15%.
 - Both rental and ownership citywide **fee out and off site** at 20.5%.
- Area plans with higher inclusionary rates will be reduced proportionately.
- Maintain existing proportion of three designated income tiers for BMRs.
- Additionally, these projects can reduce all other impact fees by 33%, as long as they get a first construction document within 30 months of entitlement.
- Once a project receives an entitlement in this period, the project must receive first construction document within 30 months in order to keep the reduced inclusionary housing obligation. If the project fails to meet this deadline, regardless of if the Planning Commission extends the entitlements further, the project is subject to the inclusionary housing obligations in effect at the time.
- These changes will only apply to projects with 25+ units, no change to projects with 1-24 units.

Future State - Inclusionary

- The TAC will be mandated to reconvene before 1/1/26 to provide new recommendations.
- Should BoS and Mayor not implement new rates based on TAC recommendation, starting November 1, 2026, the citywide inclusionary on-site rate for rental will go to 18% and the rate for ownership will go to 20%. All other options (rental fee out, off site, ownership fee out, off site) will remain at the same ratio to the inclusionary on-site rental rate as they were as of 1/1/23.
- Unless otherwise changed by ordinance, beginning January 1, 2028 and on each subsequent January 1, inclusionary housing rates (for on site, off site, in lieu fee and for rental and ownership) shall rise by .5% each year unless the BoS passes a new ordinance to change the rates or that annual increase.

Development Impact Fee Reform and Deferral – Permanent Changes

- Legislation will reactivate the currently expired impact fee deferral program, so developers have the option of deferring 80-85% of fees from first construction document to First Certificate of Occupancy. No fee deferral surcharge to be required. This does not apply to affordable housing fees.
- Impact fees will now escalate by 2% annually, instead of by the AICCIE rate currently in place.
- Projects will now “lock in” the type and rate of impact fees that they will be subject to at the time of their approval by Planning Commission or Zoning Administrator and will not be subject to fee escalation between approval and first construction document.

Projects Exempt from Paying Impact Fees for Next Three Years

- Projects in PDR zones are exempted from paying impact fees on new retail or PDR uses in the next three years if they:
 - Contain retail or PDR uses
 - Contain no residential units
 - Propose building 20k to 200k GSF
 - Are located on a vacant site or a site with existing FAR of less than .25
 - Submit a complete development application by December 31, 2026, including projects approved prior to passage of the legislation
 - Have not already paid any development fees before passage of this legislation
- Projects in C-2 Zones are exempted from paying impact fees on new Hotel, Restaurant, Bar, Outdoor Activity, and Entertainment uses in the next three years, if they:
 - Contain all of the following uses: Hotel, Restaurant, Bar, Outdoor Activity, and Entertainment
 - Contain no residential uses
 - Propose building 20k to 200k GSF
 - Are located on a vacant site or a site with existing FAR of less than .25
 - Submit a complete development application by December 31, 2026, including projects approved prior to passage of the legislation
 - Have not already paid any development fees before passage of this legislation



FOR IMMEDIATE RELEASE

Tuesday, June 27, 2023

Contact: Mayor's Office of Communications, mayorspressoffice@sfgov.org

*****PRESS RELEASE*****

**MAYOR BREED AND BOARD PRESIDENT PESKIN ANNOUNCE
HOUSING FEE REFORM PLAN TO ADVANCE, ACCELERATE,
AND BUILD MORE HOUSING**

Proposals will reduce inclusionary housing requirements for development projects and reform impact fees based on data to ensure new housing projects move forward

San Francisco, CA--Mayor London N. Breed and President of the Board of Supervisors Aaron Peskin today announced a Housing Fee Reform Plan that will unlock the housing pipeline and accelerate the planning, approval and construction of existing and new projects citywide. The Housing Fee Reform Plan is composed of two pieces of legislation that will reduce inclusionary housing requirements on new and already approved development projects and reform and defer development impact fees in order to spur development projects and economic activity. Both pieces of legislation are being introduced at the Board of Supervisors today.

The Housing Fee Reform Plan bases San Francisco's policies on data and sets fees at levels to support new housing. As currently structured, San Francisco's fees are preventing new projects from being proposed and stalling thousands of already approved homes in the pipeline from moving forward due to escalating costs. This legislation will encourage new housing proposals and help unlock pipeline projects so they can quickly begin construction, resulting in desperately needed new housing, an increase in construction jobs, and growth of the City's tax base.

This legislation is a key piece of Mayor Breed's Housing For All Plan, which is the City's effort to allow for 82,000 new homes to be built over the next 8 years. This legislation meets obligations set out in the City's Housing Element, which was unanimously approved by the Board of Supervisors in January and certified by the State.

"We are fundamentally changing how we approve and build housing in San Francisco," said **Mayor London Breed**. "When fees are set so high that everything freezes, it halts housing and hurts our entire City. By reforming our fees and setting them based on data, we can make sure we are delivering new housing, jobs, and the economic benefits we all want for our City. I want to thank the Controller for his work on this, President Peskin for his partnership, and all the City staff and stakeholders who have been working to make these significant and necessary changes."

"Our Inclusionary Housing laws have always been about maximizing the highest amount of affordable units that the private market will bear," said **Board President Aaron Peskin**. "This temporary reduction in affordable housing obligations is intended to kickstart housing development at this critical time in San Francisco's economic recovery. I want to thank the Mayor's Office, the



Controller and the affordable housing and private market rate developers for their collaboration throughout this process.”

Setting Inclusionary Housing Requirements Based on Data

San Francisco’s current inclusionary housing requirements, which is the what certain housing projects must set aside for affordable housing, are among the highest in the country. An analysis conducted by the Controller showed that the current inclusionary housing levels set in 2017 make the construction of new housing infeasible. By setting these requirements based on data, San Francisco can remove a significant barrier to new housing being built.

The Inclusionary Housing legislation will reduce inclusionary requirements for both Pipeline Projects — those that are already approved by the City and new housing projects. The current citywide rates range from 22% for on-site affordable units to 33% for units built off-site or paying an in-lieu fee. The new reduced levels being proposed are:

- Pipeline Project requirements will be reduced to 12% for on-site and 16% for off-site or paying an in-lieu fee.
- New Projects approved in the next three years will be reduced to 15% on-site and 21% for off-site or paying an in-lieu fee.

In addition, the proposal will also reduce all other development impact fees by 33% for the next three years.

This legislation has the potential to unlock almost 8,000 already approved but unbuilt units in the pipeline across the City. In our Downtown areas alone, there are over 2,500 units in this pipeline that when built, will accelerate the mixed-use vision set forth in the Mayor's Downtown Roadmap.

There are over 10,000 units in proposed projects that are not yet approved that will be able to take advantage of the reduced inclusionary package, which will enable them to move more quickly from approval into construction.

This legislation was born out of the Affordable Housing Technical Advisory Committee (TAC), a group of development and affordable housing experts appointed by the Mayor and Board of Supervisors that advises the City on the Inclusionary Housing Program. The TAC is convened by the Controller, who provides the technical analysis for the committee and this legislation.

Stabilizing and Reforming Impact Fees

San Francisco charges a number of impact fees on new construction projects to cover partial or total costs of public infrastructure such as open space, transportation, and arts as designated in the annual impact fee register published by the Planning Department. The structure of how these fees is calculated is unpredictable and causes severe cost escalations through the life of a project. By



simplifying and standardizing these fees, San Francisco can create stability for projects to move forward without disruption.

The Impact Fee Reform legislation will change the way development impact fees are escalated so they are no longer tied to a complicated construction cost estimate and instead are simply raised by 2% annually. The legislation will also allow development projects to lock in the type and rate of impact fees they will need to pay at the time they are approved by the City – instead of continuing to increase the fee rates each year until a project is able to break ground. It would reinstate the fee deferral program so projects don't have to pay development impact fees until after construction.

Supporters of Housing Fee Reform

“The Housing Fee Reform Plan is a critical step in our economic recovery,” said **Jesse Blout, TAC member and Founding Partner of Strada Investment Group**. “These are meaningful policy changes that will help spur housing production, including both market rate and affordable housing. If passed, this package of reforms will send a strong message that San Francisco policy makers understand the challenges in today’s market and I applaud Mayor Breed and President Peskin for their leadership.”

“One of SPUR’s key policy priorities is reducing the cost to build housing,” said **Alicia John-Baptiste, CEO of the San Francisco Bay Area Planning and Urban Research Association (SPUR)**. “This legislative package does so in a way that is responsive to today’s economic climate and needs, while still making retaining San Francisco’s commitment to affordable housing and complete neighborhoods.”

“The Housing Fee Reform Plan being introduced by Mayor Breed and Board President Peskin is a very important step toward accelerating the provision of much-needed housing, construction jobs, and the economic revitalization of San Francisco,” said **Dan Safier, President and CEO of the Prado Group**. “While there is still much work to do, this legislation provides meaningful changes to begin reducing the costs that are constraining new housing development citywide. This is one critical step and I am encouraged by the spirit of cooperation that we are seeing from our City’s leaders for the benefit of all San Franciscans.”

“While accepting any reduction to the City’s Inclusionary Housing affordability requirements is a tough pill to swallow, we appreciate the work to take specific recommendations from CCHO,” said **John Avalos, the Executive Director of the Council of Community Housing Organizations (CCHO)**, which represents community-based affordable housing developers. “Specifically ensuring a limited-time offer for these reductions, as well as preserving hard-fought Community Benefit Agreements, are both key recommendations from CCHO. Ultimately, though, we know that San Francisco will continue to underproduce affordable housing unless or until the State invests in a permanent funding source, making the adoption of next year’s housing bonds critical to our success.”

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