File No. 151121 Committee Item No. 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Alisa Somera **Date** November 20, 2015
Completed by: _____ **Date** _____

FILE NO. 151121 AMENDED IN BOARD 11/3/2015 ORDINANCE NO.

[Planning Code - Establishing a New Citywide Transportation Sustainability Fee]

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
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~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco hereby finds and determines that:

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of

Supervisors in File No. 151121 and is incorporated herein by reference. The Board affirms this determination.

(b) On September 10, 2015, the Planning Commission, in Resolution No. 19454, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 151121, and is incorporated herein by reference.

(c) On September 10, 2015, the Planning Commission, in Resolution No. 19454, approved this legislation, recommended it for adoption by the Board of Supervisors, and adopted findings that it will serve the public necessity, convenience and welfare. Pursuant to Planning Code Section 302, the Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 151121, and is incorporated by reference herein.

Section 2. The Planning Code is hereby amended by adding Sections 411A, 411A.1, 411A.2, 411A.3, 411A.4, 411A.5, 411A.6, 411A.7, and 411A.8, to read as follows:

SEC. 411A. TRANSPORTATION SUSTAINABILITY FEE.

Sections 411A.1 through 411A.8 (hereafter referred to collectively as "Section 411A") set forth the requirements and procedures for the Transportation Sustainability Fee ("TSF").

SEC. 411A.1. FINDINGS.

(a) In 1981, San Francisco ("the City") enacted Ordinance No. 224-81, imposing a Transit Impact Development Fee ("TIDF") on new office development in the downtown area. The TIDF was based on studies showing that the development of new office uses places a burden on the City's transit system, especially in the downtown area of San Francisco during commute hours, known as "peak periods."

(b) The City later amended the TIDF, and made it applicable to non-residential Development Projects citywide, recognizing that development has transportation impacts across the City's transportation network.

(c) Starting in 2009, the City and the San Francisco County Transportation Authority worked to develop the concept of a comprehensive citywide transportation fee and supporting nexus study (the "TSF Nexus Study"). The fee would offset impacts of Development Projects, both residential and non-residential, on the City's transportation network, including impacts on transportation infrastructure that support pedestrian and bicycle travel. The Nexus Study is on file with the Clerk of the Board of Supervisors in File No. 151121, and is incorporated herein by reference.

(d) The TSF Nexus Study concluded that all new land uses in San Francisco will generate an increased demand for transportation infrastructure and services, and recommended that the TSF apply to both residential and non-residential Development Projects in the City. While the Nexus Study found that all new land uses in San Francisco will generate this increased demand for transportation, the Board finds that it is in the public interest to exempt some uses from payment of the fee, in order to promote other important City policies and priorities, such as affordable housing, small businesses and charitable organizations. The Board finds that Hospital and Medical Service projects, however, are generally of such scope and size that they create a substantial demand for transportation infrastructure and services, and therefore, they should contribute to the TSF to meet this demand.

(e) In accordance with the TSF Nexus Study, Section 411A imposes a citywide transportation fee, the TSF, which will allow the San Francisco Municipal Transportation Agency ("SFMTA") and other regional transportation agencies serving San Francisco to meet the demand generated by new development and thus maintain their existing level of service. Section 411A will require sponsors of Development Projects in the City to pay a fee that is reasonably related to the financial burden such projects impose on the City. This financial burden is measured by the cost that

will be incurred by SFMTA and other transportation agencies serving San Francisco to meet the demand for transit capital maintenance, transit capital facilities and fleet, and pedestrian and bicycle infrastructure (also referred to as "complete streets" infrastructure) created by new development throughout the City.

(f) The TSF Nexus Study justifies charging fee rates higher than those Section 411A imposes. The rates imposed herein take into consideration the recommendations of a TSF Economic Feasibility Study that the City prepared in conjunction with TSF. The TSF Economic Feasibility Study took into account the impact of the TSF on the feasibility of development, throughout the City. The TSF Economic Feasibility Study is on file with the Clerk of the Board of Supervisors in File No. 151121, and is incorporated herein by reference.

(g) The fee rates charged herein are no higher than necessary to cover the reasonable costs of providing transportation infrastructure and service to the population associated with the new Development Projects, such as residents, visitors, employees and customers. The TSF will provide revenue that is significantly below the costs that SFMTA and other transit providers will incur to mitigate the transportation infrastructure and service needs resulting from the Development Projects.

(h) The TSF is an efficient and equitable method of providing funds to mitigate the transportation demands imposed on the City by new Development Projects.

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

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

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

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

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

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

SEC. 411A.2. DEFINITIONS.

See Section 401 of this Article 4 for definitions of terms applicable to this Section 411A. In addition, the following abbreviations are used throughout Section 411A: TIDF (Transit Impact Development Fee); TSF (Transportation Sustainability Fee).

SEC. 411A.3. APPLICATION OF TSF.

(a) Except as provided in Subsection (b), the TSF shall apply to any Development Project in the City that results in:

(1) More than twenty new dwelling units;

(2) New group housing facilities, or additions of 800 gross square feet or more to an existing group housing facility;

(3) New construction of a Non-Residential ~~or PDR~~ *use in excess of 800 gross square feet, or additions of 800 square feet or more to an existing Non-Residential* ~~or PDR~~ *use; or*

(4) New construction of a PDR use in excess of 1,500 gross square feet, or additions of 1,500 square feet or more to an existing PDR use; or

*(4*5*) Change or Replacement of Use, such that the rate charged for the new use is higher than the rate charged for the existing use, regardless of whether the existing use previously paid the TSF or TIDF.*

(b) Exemptions: Notwithstanding Subsection (a), the TSF shall not apply to the following:

(1) City projects. Development Projects on property owned by the City, except for that portion of a Development Project that may be developed by a private sponsor and not intended to be occupied by the City or other agency or entity exempted under Section 411A, in which case the TSF shall apply only to such non-exempted portion. Development Projects on property owned by a private person or entity and leased to the City shall be subject to the fee, unless such Development Project is otherwise exempted under Section 411A.

(2) Redevelopment Projects and Projects with Development Agreements. Development Projects in a Redevelopment Plan Area or in an area covered by a Development Agreement in existence at the time a building or site permit is issued for the Development Project, to the extent payment of the TSF would be inconsistent with such Redevelopment Plan or Development Agreement.

(3) Projects of the United States. Development Projects located on property owned by the United States or any of its agencies to be used exclusively for governmental purposes.

(4) Projects of the State of California. Development Projects located on property owned by the State of California or any of its agencies to be used exclusively for governmental purposes.

(5) Affordable Housing Projects. Affordable housing, pursuant to the provisions of Planning Code Section 406(b), other than that required by Planning Code Sections 415 or 419 et seq., or any units that trigger a Density Bonus under California Government Code Sections 65915-65918.

(6) Small Businesses. Each Change of Use from PDR to Non-Residential, or expansion of an existing PDR or Non-Residential use through an addition that adds new gross floor area to an existing building, shall be exempt from the TSF, provided that: (A) the gross square footage of the resulting individual unit of PDR or Non-Residential use is not greater than 5,000 gross square

feet, and (B) the resulting use is not a Formula Retail use, as defined in Section 303.1 of this Code. This exemption shall not apply to new construction or Replacement of Use.

(7) Charitable Exemptions.

(A) The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code Section 214. However, any Hospital or Medical Service ~~Post-Secondary Educational Institution~~ *that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption.*~~,~~ and shall as of the effective date of this Ordinance be subject to the TSF, as set forth in Section 411A.4 and 411A.5, below.

~~(B) It is anticipated that by January 1, 2030, the hospital seismic retrofitting process mandated by Article 8 (commencing with Section 15097.100) of Chapter 1, Division 12.5 of the California Health and Safety Code will have been completed, although the State Legislature may extend the deadline. It is the intention of the Board of Supervisors to consider, when that process is completed, whether hospitals that require an Institutional Master Plan under Section 304.5 of the Planning Code should be subject to the TSF.~~

(~~C~~B*) Any project receiving a Charitable Exemption shall maintain its tax exempt status, as applicable, for at least 10 years after the issuance of its Certificate of Final Completion. If the property or portion thereof loses its tax exempt status within the 10-year period, then the property owner shall be required to pay the TSF that was previously exempted. Such payment shall be required within 90 days of the property losing its tax exempt status.*

(~~D~~C*) If a property owner fails to pay the TSF within the 90-day period, a notice for request of payment shall be served by the Development Fee Collection Unit at DBI under Section 107A.13 of the San Francisco Building Code. Thereafter, upon nonpayment, a lien proceeding*

shall be instituted under Section 408 of this Article and Section 107A.13.15 of the San Francisco Building Code.

(~~E~~D) The Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property prior to the issuance of a building or site permit. This Notice shall state the amount of the TSF exempted per this subsection (b)(7). It shall also state the requirements and provisions of subsections (b)(7)(~~A~~B) and (b)(7)(C) above.

(c) Timing of Payment. The TSF shall be paid at the time of and in no event later than when the City issues a first construction document, with an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

~~(d) Relationship between the TSF and Area Plan Fees Devoted to Transit. Except as provided in subsection (e), all Development Projects subject to the TSF shall pay the full TSF. Where Development Projects are subject to both the TSF and an Area Plan Impact Fee, a portion of which is dedicated to transit improvements, the Development Projects shall pay the fees as follows:~~

~~(1) Non-Residential portions of developments shall pay both the TSF and the Area Plan Impact Fee.~~

~~(2) Residential portions of developments shall pay the TSF. The transit component of an Area Plan Impact Fee applicable to the Residential portion of such development may be reduced by the amount of TSF due, up to the full amount, as set forth in Sections 421.3, 422.3, 423.3 and 424 of this Code.~~

~~(3) The Planning Department shall maintain a master fee schedule that clearly identifies, for each Area Plan Impact Fee: the transit portion of the Area Plan Impact Fee, the amount of such Area Plan Impact Fee that may be reduced in accordance with subsection~~

~~(d)(2), above, and the resulting net Area Plan Impact Fee after taking the TSF reduction into account.~~

(~~e~~d) *Application of the TSF to Projects in the Approval Process at the Effective Date of Section 411A. The TSF shall apply to Development Projects that are in the approval process at the effective date of Section 411A, except as modified below:*

(1) Projects that have a Development Application approved before the effective date of this Section shall not be subject to the TSF, but shall be subject to the TIDF at the rate applicable per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(2) Projects that have filed a Development Application or environmental review application on or *before* ~~the effective date of this Section~~ July 21, 2015, ~~but~~ and *have not received approval of any such application, shall be subject to the TSF as follows:*

(A) Residential Uses subject to the TSF shall pay 50% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall be subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(3) Projects that have not filed a Development Application or environmental review application ~~after~~ before July 2~~1~~2, 2015, and file the first such application on or after July 22, 2015, and have not received approval of any such application, shall be subject to the TSF as follows:

(A) Residential Uses subject to the TSF shall pay 100% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall pay 100% of the applicable Non-residential or PDR TSF rate, as well as any other applicable fees. ~~be~~

~~subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.~~

~~(f~~*(e)* *Effect of TSF on TIDF and Development Subject to TIDF.*

(1) The provisions of this Section 411A are intended to supersede the provisions of Section 411 et seq. as to new development in the City as of the effective date of Section 411A, except as stated below. The provisions of Section 411 et seq. are hereby suspended, with the following exceptions:

(A) Section 411 et seq. shall remain operative and effective with respect to any Redevelopment Plan, Development Agreement, Interagency Cooperation Agreement, or any other agreement entered into by the City, the former Redevelopment Agency or the Successor Agency to the Redevelopment Agency, that is valid and effective on the effective date of Section 411A, and that by its terms would preclude the application of Section 411A, and instead allow for the application of Section 411 et seq.

(B) Section 411 et seq. shall remain operative and effective with respect to Development Projects that are in the approval process as of the effective date of Section 411A, and for which the TIDF is imposed as set forth in Section 411A.3(~~e~~*d).*

(C) Section 411 et seq. shall remain operative and effective with respect to imposition and collection of the TIDF for any new development for which a Development Application was approved prior to the effective date of Section 411A, and for which TIDF has not been paid.

(2) Notwithstanding subsection (~~f~~*e)(1) above, if the City Attorney certifies in writing to the Clerk of the Board of Supervisors that a court has determined that the provisions of Section 411A are invalid or unenforceable in whole or substantial part, the provisions of Section 411 shall no longer be suspended and shall become operative as of the effective date of the court ruling. In that event, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating that the provisions of Section 411A are suspended, and the provisions of Section 411 are no longer suspended.*

(3) The City Attorney's certification referenced in subsection (fe)(2) above shall be superseded if the City Attorney thereafter certifies in writing to the Clerk of the Board of Supervisors that the provisions of Section 411A are valid and enforceable in whole or in substantial part because the court decision referenced in subsection (fe)(2) has been reversed, overturned, invalidated, or otherwise rendered inoperative with respect to Section 411A. In that event, the provisions of Section 411A shall no longer be suspended and shall become operative as of the date the court decision no longer governs, and the provisions of Section 411 shall be suspended except as specified in Section 411A. Further, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating the same.

SEC. 411A.4. CALCULATION OF TSF.

(a) Calculation. The TSF shall be calculated on the basis of the number of gross square feet of the Development Project, multiplied by the TSF rate in effect at the issuance of the First Construction Document for each of the applicable land use categories within the Development Project, as provided in the Fee Schedule set forth in Section 411A.5, except as provided in subsections (b) and (c), below. An accessory use shall be charged at the same rate as the underlying use to which it is accessory. In reviewing whether a Development Project is subject to the TSF, the project shall be considered in its entirety. A project sponsor shall not seek multiple applications for building permits to evade paying the TSF for a single Development Project.

(b) Change or Replacement of Use. When calculating the TSF for a development project in which there is a Change or Replacement of Use such that the rate charged for the new land use category is higher than the rate charged for the category of the existing legal land use, the TSF per square foot rate shall be the difference between the rate charged for the new and the existing use.

(c) Calculation Method for Residential Uses. Areas of Residential use within a project that creates no more than 99 dwelling units shall pay the fee listed in Table 411A.5.

When a project creates more than 99 dwelling units, the fees for areas of Residential use shall be calculated as follows: The number of dwelling units greater than 99 shall be divided by the total number of dwelling units created to determine the proportion of the project represented by those dwelling units. The resulting quotient shall be multiplied by the total gross floor area of Residential use in the project. The resulting product represents the number of gross square feet of Residential use in the project that is subject to the higher fee rate in Table 411A.5 for dwelling units above 99. The remainder of gross square feet of Residential use in the project is subject to the lower fee rate in Table 411A.5 for dwelling units at or below 99.

(d) Calculation Method for Hospitals. For a Development Project building a new Hospital, or adding to an existing Hospital, as that term is defined Planning Code Sections 790.44 and 890.44, the TSF shall be calculated on the basis of the number of gross square feet of the Development Project, multiplied by the ratio of the number of licensed inpatient beds after the completion of the Development Project exceeding the number of licensed inpatient beds prior to the Development Project to the number of licensed inpatient beds after the completion of the Development Project, and multiplied by the TSF rate set forth in Section 4.11A.5. For the purposes of calculating the TSF for hospital buildings: (1) the number of licensed inpatient beds prior to the Development Project shall mean the number of inpatient beds licensed to the Hospital(s), including beds at one or more locations, prior to the Development Project, if any, that will be replaced by licensed inpatient beds at the location of the Development Project upon completion, and (2) the number of licensed inpatient beds after the completion of the Development Project shall mean the number of licensed inpatient beds at the location of the Development Project upon completion.

SEC. 411A.5. TSF SCHEDULE.

Development Projects subject to the TSF shall pay the following fees, as adjusted annually in accordance with Planning Code Section 409(b).

Table 411A.5. TSF Schedule

Land Use Categories	***TSF(1)*** ~~Per Gross Square Foot (gsf) of Development Project~~
Residential, 21-99 units	*$ 7.74* for all gsf of Residential use in the first 99 dwelling units (see Section 411A.4(c) above).
Residential, ~~any~~ all units above 99 units	$ 8.74 for all gsf of Residential use in all dwelling units at and above the 100th unit (see Section 411A.4(c) above).
Non-Residential, except Hospitals and Medical Uses, 800-99,999 gsf	*$ 18.04* for all gsf of Non-Residential uses less than 100,000 gsf.
Non-Residential, except Hospitals and Medical Uses, ~~any~~ all gsf above 99,999 gsf	$ 19.04 for all gsf of Non-Residential use greater than 99,999 gsf.
Non-Residential, Hospitals	$18.74 on net new bed area, as set forth in Section 411A.4(d).
Non-Residential, Medical Uses, all gsf above 12,000 gsf	$11.00 for all gsf of Medical Uses above 12,000 gsf
Production, Distribution and Repair	*$ 7.61*

(1) For all Land Use Categories, except for Hospitals, the TSF is calculated per gross square feet (gsf) of new development. For Hospitals, it is calculated per net new bed area, as set forth in Section 411A.4(d), above.

SEC. 411A.6. TSF EXPENDITURE PROGRAM

As set forth in the TSF Nexus Study, on file with the Clerk of the Board of Supervisors File No. 151121, TSF funds may only be used to reduce the burden imposed by Development Projects on the City's transportation system. Expenditures shall be allocated as follows, giving priority to specific projects identified in the different Area Plans:

Table 411A.6A. TSF Expenditure Program

Transit Capital Maintenance	
Subtotal	*61%*
Transit Service Expansion & Reliability Improvements – San Francisco	
Subtotal	*32%*
Transit Service Expansion & Reliability Improvements – Regional Transit Providers	
Subtotal	*2%*
Complete Streets (Bicycle and Pedestrian) Improvements	
Subtotal	*3%*
Program Administration	*2%*
Total	*100.0%*

Within the Rincon Hill Community Improvements Program Area, per Planning Code Section 418 and the Visitacion Valley Fee Area, per Planning Code Section 420, expenditures shall be allocated as follows:

Table 411A.6B. TSF Expenditure Program in Rincon Hill and Visitacion Valley

Transit Capital Maintenance	
Subtotal	*61%*
Transit Service Expansion & Reliability Improvements – San Francisco	
Subtotal	*35%*
Transit Service Expansion & Reliability Improvements – Regional Transit Providers	
Subtotal	*2%*
Complete Streets (Bicycle and Pedestrian) Improvements	
Subtotal	*0%*
Program Administration	*2%*
Total	*100.0%*

SEC. 411A.7. TSF FUND

Money received from collection of the TSF, including earnings from investments of the TSF, shall be held in trust by the Treasurer of the City and County of San Francisco under California Government Code Section 66006 of the Mitigation Fee Act. It shall be distributed according to the fiscal and budgetary provisions of the San Francisco Charter and the Mitigation Fee Act, subject to the following conditions and limitations. As reasonably necessary to mitigate the impacts of new development on the City's public transportation system, TSF funds may be used to fund transit capital maintenance projects, transit capital facilities and fleet, and complete streets (pedestrian and bicycle)

infrastructure. These expenditures may include, but are not limited to: capital costs associated with establishing new transit routes, expanding transit routes, and increasing service on existing transit routes, including, but not limited to, procurement of related items such as rolling stock, and design and construction of bus shelters, stations, tracks, and overhead wires; capital or maintenance costs required to add revenue service hours or enhanced capacity to existing routes; capital costs of pedestrian and bicycle facilities, including, but not limited to, sidewalk paving and widening, pedestrian and bicycle signalization of crosswalks or intersection, bicycle lanes within street right-of-way, physical protection of bicycle facilities from motorized traffic, bike sharing, bicycle parking, and traffic calming. Proceeds from the TSF may also be used to administer, enforce, or defend Section 411A.

SEC. 411A.8. ~~FIVE~~ THREE YEAR REVIEW OF ECONOMIC FEASIBILITY STUDY.

Every ~~five~~ three years, or sooner if requested by the Mayor, the Planning Commission, or the Board of Supervisors, the SFMTA shall update the TSF Economic Feasibility Study. This update shall analyze the impact of the TSF on the feasibility of development, throughout the City. This update shall be in addition to the five-year evaluation of all development fees mandated by Section 410 of this Code.

Section 3. The Planning Code is hereby amended by amending Section 411, to read as follows:

SEC. 411. TRANSIT IMPACT DEVELOPMENT FEE.

(a) Sections 411.1 through 411.9, hereafter referred to as Section 411.1 *et seq.*, set forth the requirements and procedures for the TIDF. The effective date of these requirements shall be the date the requirements were originally effective or were subsequently modified, whichever applies.

(b) Partial Suspension of Section 411 et seq. In accordance with Planning Code Section 411A.3(e), the provisions of Section 411A are intended, with certain exceptions, to supersede the provisions of Section 411 et seq., as to new development in the City as of the effective date of Section 411A. Accordingly, Section 411A.3(e) suspends, with certain exceptions, the operation of Section 411 et seq., and states the circumstances under which such suspension shall be lifted.

Section 4. The Planning Code is hereby amended by revising Section 401, to read as follows:

SEC. 401. DEFINITIONS.

* * * *

"Area Plan Impact Fee" shall mean a development impact fee collected by the City to mitigate impacts of new development in the Area Plans of the San Francisco General Plan, under Article 4 of the Planning Code.

* * * *

"Development Application" shall mean any application for a building permit, site permit, Conditional Use, Variance, Large Project Authorization, or any application pursuant to Planning Code Sections 309, 309.1, or 322.

* * * *

"Hope SF Project Area" shall mean an area owned by or previously owned by the San Francisco Housing Authority that is currently undergoing, or planned to undergo redevelopment, whereby existing affordable dwelling units will be replaced, new affordable housing units will be constructed, and market-rate units may be constructed as a means to cross-subsidize newly needed infrastructure and affordable units. Hope SF Project Area shall include the Hunters View project, which is located within the Hunters View Special Use District, the Potrero Terrace and Annex Project, which includes Assessor's Block 4367, Lots 004 and 004A; Block 4220A, Lot 001, Block 4222, Lot 001;

and Block 4223, Lot 001; and the Sunnydale / Velasco Project, which includes Assessor's Block 6310, Lot 001; Block 6311, Lot 001; Block 6312, Lot 001; Block 6313, Lot 001; Block 6314, Lot 001; and Block 6315, Lot 001.

Section 5. The Planning Code is hereby amended by revising Section 406, to read as follows:

SEC. 406. WAIVER, REDUCTION, OR ADJUSTMENT OF DEVELOPMENT PROJECT REQUIREMENTS.

(a) Waiver or Reduction Based on Absence of Reasonable Relationship.

(1) The sponsor of any development project subject to a development fee or development impact requirement imposed by this Article may appeal to the Board of Supervisors for a reduction, adjustment, or waiver of the requirement based upon the absence of any reasonable relationship or nexus between the impact of development and either the amount of the fee charged or the on-site requirement.

(2) Any appeal authorized by this Section shall be made in writing and filed with the Clerk of the Board no later than 15 days after the date the Department or Commission takes final action on the project approval that assesses the requirement. The appeal shall set forth in detail the factual and legal basis for the claim of waiver, reduction, or adjustment.

(3) The Board of Supervisors shall consider the appeal at a public hearing within 60 days after the filing of the appeal. The appellant shall bear the burden of presenting substantial evidence to support the appeal, including comparable technical information to support appellant's position. The decision of the Board shall be by a simple majority vote and shall be final.

(4) If a reduction, adjustment, or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment, or reduction of the fee or inclusionary

requirement. If the Board grants a reduction, adjustment or waiver, the Clerk of the Board shall promptly transmit the nature and extent of the reduction, adjustment or waiver to the Development Fee Collection Unit at DBI and the Unit shall modify the Project Development Fee Report to reflect the change.

(b) Waiver or Reduction, Based on Housing Affordability.

(1) An affordable housing unit shall receive a waiver from the Rincon Hill Community Infrastructure Impact Fee, the Market and Octavia Community Improvements Impact Fee, the Eastern Neighborhoods Infrastructure Impact Fee, the Balboa Park Impact Fee, and the Visitacion Valley Community Facilities and Infrastructure Impact Fee, *and the Transportation Sustainability Fee,* if the affordable housing unit:

(A) is affordable to a household at or below 80% of the Area Median Income (as published by HUD), including units that qualify as replacement Section 8 units under the HOPE SF program;

(B) is subsidized by MOH, the San Francisco Housing Authority, and/or the San Francisco Redevelopment Agency; and

(C) is subsidized in a manner which maintains its affordability for a term no less than 55 years, whether it is a rental or ownership opportunity. Project sponsors must demonstrate to the Planning Department staff that a governmental agency will be enforcing the term of affordability and reviewing performance and service plans as necessary.

(2) Projects that meet the requirements of this subsection are eligible for a 100 percent fee reduction until an alternative fee schedule is published by the Department.

(3) Projects that are located within a HOPE SF Project Area are eligible for a 100 percent fee reduction from the TSF, applicable both to the affordable housing units and the market-rate units within such projects, and to any Non-Residential or PDR uses. Projects within a HOPE SF Project Area are otherwise subject to all other applicable fees per Article 4 of the Planning Code.

(4) Residential uses within projects where all residential units are affordable to households at or below 150% of the Area Median Income (as published by HUD) shall not be subject to the TSF. Non-residential and PDR uses within those projects shall be subject to the TSF. All uses shall be subject to all other applicable fees per Article 4 of the Planning Code.

(~~3~~5) This waiver clause shall not be applied to units built as part of a developer's efforts to meet the requirements of the Inclusionary Affordable Housing Program, ~~and~~ Sections 415 *or 419* of this Code~~.~~ *or any units that trigger a Density Bonus under California Government Code Sections 65915-65918.*

(c) Waiver for Homeless Shelters. A Homeless Shelter, as defined in Section 102 of this Code, is not required to pay the Rincon Hill Community Infrastructure Impact Fee, the Transit Center District Impact Fees, the Market and Octavia Community Improvements Impact Fee, the Eastern Neighborhoods Infrastructure Impact Fee, the Balboa Park Impact Fee, ~~and~~ the Visitacion Valley Community Facilities and Infrastructure Impact Fee~~.~~ *and the Transportation Sustainability Fee.*

(d) Waiver Based on Duplication of Fees. The City shall make every effort not to assess duplicative fees on new development. In general, project sponsors are only eligible for fee waivers under this Subsection if a contribution to another fee program would result in a duplication of charges for a particular type of community infrastructure. The Department shall publish a schedule annually of all known opportunities for waivers and reductions under this clause, including the specific rate. Requirements under Section 135 and 138 of this Code do not qualify for a waiver or reduction. Should future fees pose a duplicative charge, such as a Citywide open space or childcare fee, the same methodology shall apply and the Department shall update the schedule of waivers or reductions accordingly.

Section 6. The Planning Code is hereby amended by revising Section 410, to read as follows:

SEC. 410. COMPREHENSIVE FIVE-YEAR EVALUATION OF ALL DEVELOPMENT FEES AND DEVELOPMENT IMPACT REQUIREMENTS.

Commencing on July 1, 2011, and every five fiscal years thereafter in conjunction with the Annual Citywide Development Fee and Development Impact Requirements Report described in Section 409, above, the Director and the Controller shall jointly prepare and publish a comprehensive report on the status of compliance with this Article, compliance of any development fees in this Article with the California Mitigation Fee Act, Government Code section 66001 et seq., including making specific findings regarding any unexpended funds, the efficacy of existing development fees and development impact requirements in mitigating the impacts of development projects, and the economic impacts of existing development fees and development impact requirements on the financial feasibility of projects and housing affordability in particular, taking into account, to the extent possible, the feasibility of the fees in different areas of the City ~~neighborhoods~~. In such report, the Director and Controller may recommend any changes in the formulae or requirements or enforcement of any area-specific or Citywide development fee or development impact requirement in this Code, prepare additional economic impact studies on such changes or recommend that additional nexus studies or financial feasibility analyses be done, to improve the efficacy of such fees or requirements in mitigating development impacts or to reduce any unintended deleterious economic or social effects associated with such fees or requirements. In making their joint report and recommendations, the Director and the Controller shall consult with the Directors of OEWD, MOH, the MTA, or other agency whose fees are affected and shall coordinate the report required by this Section with any other development fee evaluations and reports that

this Article requires to be performed. The Director and the Controller shall present the Report to the Commission at a public hearing and to the Land Use & Economic Development Committee of the Board of Supervisors at a separate public hearing.

Section ~~6~~7. The Planning Code is hereby amended by revising Sections 418.3, 420.3 and 424.7.2, to read as follows:

SEC. 418. RINCON HILL COMMUNITY IMPROVEMENTS FUND AND SOMA COMMUNITY STABILIZATION FUND.

* * * *

SEC. 418.3. APPLICATION.

* * * *

(c) Fee Calculation for the Rincon Hill Community Infrastructure Impact Fee. For development projects for which the Rincon Hill Community Infrastructure Impact Fee is applicable:

(1) Any net addition of gross square feet shall pay per the Fee Schedule in Table 418.3A, and

(2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 418.3B.

~~(3) No Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall not be reduced by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

SEC. 420. VISITATION VALLEY COMMUNITY FACILITIES AND INFRASTRUCTURE FEE AND FUND.

* * * *

SEC. 420.3 APPLICATION OF VISITACION VALLEY COMMUNITY IMPROVEMENTS FACILITIES AND INFRASTRUCTURE FEE

* * * *

~~(e) No Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall not be reduced by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

SEC. 424.7. TRANSIT CENTER DISTRICT TRANSPORTATION AND STREET IMPROVEMENT IMPACT FEE AND FUND.

* * * *

SEC. 424.7.2. APPLICATION OF TRANSIT CENTER DISTRICT TRANSPORTATION AND STREET IMPROVEMENT IMPACT FEE.

* * * *

(c) **Fee Calculation for the Transit Center District Transportation and Street Improvement Impact Fee**. For development projects for which the Transit Center District Transportation and Street Improvement Impact Fee is applicable the corresponding fee for net addition of gross square feet is listed in Table 424.7A. Where development project includes more than one land use, the overall proportion of each use relative to other uses on the lot shall be used to calculate the applicable fees regardless of the physical distribution or location of each use on the lot. If necessary, the Director shall issue a Guidance Statement clarifying the methodology of calculating fees.

(1) **Transit Delay Mitigation Fee**. The fee listed in Column A shall be assessed on all applicable gross square footage for the entire development project.

(2) **Base Fee**. The fee listed in Column B shall be assessed on all applicable gross square footage for the entire development project.

(3) **Projects Exceeding FAR of 9:1**. For development projects that result in the Floor Area Ratio on the lot exceeding 9:1, the fee listed in Column C shall be assessed on all applicable gross square footage on the lot above an FAR of 9:1.

(4) **Projects Exceeding FAR of 18:1**. For development projects that result in the Floor Area Ratio on the lot exceeding 18:1, the fee listed in Column D shall be assessed on all applicable gross square footage on the lot above an FAR of 18:1.

(5) For projects that are eligible to apply TDR units to exceed an FAR of 9:1 pursuant to Section 123(e)(1), the fee otherwise applicable to such square footage according to subsections (3) and (4) above shall be waived.

~~(6) No Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall not be reduced by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

Section ~~7~~8. The Planning Code is hereby amended by revising Sections 421.3, 422.3, 423.3, 423.5 and 424.3, and deleting Section 421.7, to read as follows:

SEC. 421. MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.

* * * *

SEC. 421.3. APPLICATION OF COMMUNITY IMPROVEMENTS IMPACT FEE.

* * * *

(c) Fee Calculation for the Market and Octavia Community Improvement Impact Fee. For development projects for which the Market and Octavia Community Improvements Impact Fee is applicable:

(1) Any net addition of gross square feet shall pay per the Fee Schedule in Table 421.3A, and

(2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 421.3B.

~~(3) Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall be reduced, up to the full amount, by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

~~***SEC. 421.7. TRANSPORTATION STUDIES AND FUTURE FEES.***~~

~~*(a) Purpose. Studies conducted by the City including the Transit Impact Development Fee nexus study, the ongoing Eastern Neighborhoods studies, and others indicate that new residential development and the creation of new non-residential or residential parking facilities negatively impact the City's transportation infrastructure and services. The purpose of this Section is to authorize a nexus study establishing the impact of new residential development and new parking facilities, in nature and amount, on the City's transportation infrastructure and parking facilities and, if justified, to impose impact fees on residential development and projects containing parking facilities.*~~

~~*(b) Timing. No later than October 15, 2008, the City shall initiate a study as described below. The agencies described in subsection (c) shall develop a comprehensive scope and timeline of this study which will enable the Board of Supervisors to pursue policy recommendations through the legislative process as soon as twelve months after the study's initiation.*~~

~~*(c) Process. The study shall be coordinated by the Municipal Transportation Agency (MTA) and the City Attorney's Office. The study shall build on existing Nexus Study work including recently published nexus studies for parks and recreation, childcare facilities, the existing Transit Development Impact Fee Nexus Study, and all relevant area plan nexus analysis. The MTA shall coordinate with all relevant government agencies including the San Francisco County Transportation Authority, the Planning Department, the Mayor's Office of Housing, the Controller's Office, the City Attorney's Office*~~

~~*and the City Administrator by creating a task force that meets regularly to discuss the study and resultant policy and program recommendations. The MTA shall hire consultants as deemed appropriate to complete the technical analysis.*~~

~~*(d) Scope. The study shall determine the impact, in nature and amount, of new residential development and new parking facilities, including new individual parking spaces, on transportation infrastructure and services within the City and County of San Francisco. The study shall not consider or develop specific transportation infrastructure improvement recommendations. The study shall make policy and/or program a recommendations to the Board of Supervisors on the most appropriate mechanisms for funding new transportation infrastructure and services including but not limited to new residential transit impact fees and new parking impact fees.*~~

~~*(e) Springing Condition Projects Subject to Future Fees. Based on the findings of the above-referenced is study the City anticipates that the Board may adopt new impact fees to offset the impact of new parking facilities and residential development on San Francisco's transportation network. As the Market and Octavia Plan Area is one of the first transit oriented neighborhood plans in the City and County of San Francisco the City should strive for a successful coordination of transit oriented development with adequate transportation infrastructure and services. All residential and non-residential development projects in the Market and Octavia Plan Area that receive Planning Department or Commission approval on or after the effective date of this Section shall be subject to any future Citywide or Plan specific parking impact fees or residential transit impact fees that are established before the project receives a first certificate of occupancy. The Planning Department and Planning Commission shall make payment of any future residential transit impact fee or parking impact fee a condition of approval of all projects in the Market and Octavia Plan Area that receive Planning Department or Commission approval on or after the effective date of this Section, with the following maximum amounts;*~~

~~*(1) Parking Impact fee no more than $5.00 per square foot of floor area dedicated to parking.*~~

~~*(2) Transit Impact fee no more than $9.00 per square foot of residential and non-residential floor area.*~~

* * * *

SEC. 422. BALBOA PARK COMMUNITY IMPROVEMENTS FUND.

* * * *

SEC. 422.3. APPLICATION OF COMMUNITY IMPROVEMENT IMPACT FEE.

* * * *

(c) Fee Calculation for the Balboa Park Impact Fee. For development projects for which the Balboa Park Impact Fee is applicable:

(1) Any net addition of gross square feet shall pay per the Fee Schedule in Table 422.3A, and

(2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 422.3B.

~~(3) Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall be reduced, up to the full amount, by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

SEC. 423. EASTERN NEIGHBORHOODS IMPACT FEES AND PUBLIC BENEFITS FUND.

* * * *

SEC. 423.3. APPLICATION OF EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEE.

* * * *

(c) Fee Calculation for the Eastern Neighborhoods Infrastructure Impact Fee. For development projects for which the Eastern Neighborhoods Infrastructure Impact Fee is applicable:

(1) Any net addition of gross square feet shall pay per the Fee Schedule in Table 423.3A. and

(2) Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 423.3B.

~~(3) Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a Development Project shall be reduced, up to the full amount, by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

SEC. 423.5. THE EASTERN NEIGHBORHOODS COMMUNITY IMPROVEMENTS FUND.

* * * *

Table 423.5
BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS COMMUNITY IMPROVEMENTS FEE/FUND BY IMPROVEMENT TYPE*

Improvement Type	*Dollars Received From Residential Development*	*Dollars Received From Non-Residential/Commercial Development*
Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities	31%	34%
Transit	10%	53%
Recreation and Open Space	47.5%	6%

Childcare	6.5%	2%
Program Administration	5%	5%

* Does not apply to Designated Affordable Housing Zones, which are addressed in Table 423.5A

Table 423.5A
BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND BY IMPROVEMENT TYPE FOR DESIGNATED AFFORDABLE HOUSING ZONES

Improvement Type	*Dollars Received From Residential Development*	*Dollars Received From Non-Residential/Commercial Development*
Affordable Housing preservation and development	75%	n/a
Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities	*4%*	*36%*
~~*Open Space and Recreation*~~	~~*10%*~~	~~*6%*~~
Transit	6%	*53~~85~~%*
Recreation and Open Space	*10%*	*6%*
~~*Pedestrian and Streetscape Improvements*~~	~~*4%*~~	~~*4%*~~
Program administration	5%	5%

* * * *

SEC. 424. VAN NESS AND MARKET AFFORDABLE HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM.

* * * *

SEC. 424.3. APPLICATION OF VAN NESS AND MARKET AFFORDABLE HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM.

* * * *

(b) Amount of Fee.

(i) All uses in any development project within the Van Ness and Market Downtown Residential Special Use District shall pay $30.00 per net additional gross square foot of floor area in any portion of building area exceeding the base development site FAR of 6:1 up to a base development site FAR of 9:1.

(ii) All uses in any Development Project within the Van Ness and Market Downtown Residential Special Use District shall pay $15.00 per net additional gross square foot of floor area in any portion of building area exceeding the base development site FAR of 9:1.

~~(iii) Reduction of Residential Fee. The transit component of this fee applicable to the Residential portion of a development project shall be reduced, up to the full amount, by the amount of TSF due for the same Residential portion, pursuant to Planning Code Section 411A.3(b).~~

* * * *

Section ~~8~~9. The Planning Code is hereby amended by revising Sections 421.1, 422.1, 423.1, and 424.1, to read as follows:

SEC. 421.1. PURPOSE AND FINDINGS SUPPORTING THE MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.

* * * *

(b) Findings. The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), ~~and~~ the San Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, *and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015,* ~~both~~ on file with the Clerk of the Board in File*s* No*s*. *150149 and 150790,* and, under Section 401A, adopts the findings and conclusions of those studies and the general and specific findings in that Section, specifically including the Recreation and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, ~~and~~ Bicycle Infrastructure Findings, *and Transit Findings,* and incorporates those by reference herein to support the imposition of the fees under this Section.

~~*The Board takes legislative notice of the findings supporting these fees in former Planning Code Section 421.1 (formerly Section 326 et seq.) and the materials associated with Ordinance No. 72-08 in Board File No. 071157. To the extent that the Board previously adopted fees in this Area Plan that are not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.*~~

* * * *

SEC. 422.1. PURPOSE AND FINDINGS IN SUPPORT OF BALBOA PARK COMMUNITY IMPROVEMENTS FUND.

* * * *

(b) Findings. The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), ~~and~~ the San Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014,

and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015, ~~*both*~~ on file with the Clerk of the Board in File*s* No*s*. *150149 and 150790,* and, under Section 401A, adopts the findings and conclusions of those studies and the general and specific findings in that Section, specifically including the Recreation and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, ~~*and*~~ Bicycle Infrastructure Findings *and Transit Findings,* and incorporates those by reference herein to support the imposition of the fees under this Section.

~~*The Board takes legislative notice of the findings supporting these fees in former Planning Code Section 422.1 (formerly Section 331 et seq.) and the materials associated with Ordinance No. 61-09 in Board File No. 090181 and the Balboa Park Community Improvements Program, on file with the Clerk of the Board in File No. 090179. To the extent that the Board previously adopted fees in this Area Plan that are not covered in the analysis of the four infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.*~~

* * * *

SEC. 423.1. PURPOSE AND FINDINGS SUPPORTING EASTERN NEIGHBORHOODS IMPACT FEES AND COMMUNITY IMPROVEMENTS FUND.

* * * *

(b) Findings. The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), ~~*and*~~ the San Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, *and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015,* ~~*both*~~ on file with the Clerk of the Board in File*s* No*s*. *150149 and 150790,* and, under Section 401A, adopts the findings and conclusions of those studies and the general and specific findings in

that Section, specifically including the Recreation and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, ~~and~~ Bicycle Infrastructure Findings, *and Transit Findings,* and incorporates those by reference herein to support the imposition of the fees under this Section.

~~*The Board takes legislative notice of the findings supporting these fees in former Planning Code Section 423.1 (formerly Section 327 et seq.) and the materials associated with Ordinance No. 298-08 in Board File No. 081153. To the extent that the Board previously adopted fees in this Area Plan that are not covered in the analysis of the four infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.*~~

* * * *

SEC. 424.1. FINDINGS SUPPORTING THE VAN NESS AND MARKET AFFORDABLE HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM.

* * * *

(b) **Neighborhood Infrastructure**. The Van Ness & Market Residential SUD enables the creation of a very dense residential neighborhood in an area built for back-office and industrial uses. Projects that seek the FAR bonus above the maximum cap would introduce a very high localized density in an area generally devoid of necessary public infrastructure and amenities, as described in the Market and Octavia Area Plan. While envisioned in the Plan, such projects would create localized levels of demand for open space, streetscape improvements, and public transit above and beyond the levels both existing in the area today and funded by the Market and Octavia Community Improvements Fee. Such projects also entail construction of relatively taller or bulkier structures in a concentrated area, increasing

the need for offsetting open space for relief from the physical presence of larger buildings. Additionally, the FAR bonus provisions herein are intended to provide an economic incentive for project sponsors to provide public infrastructure and amenities that improve the quality of life in the area. The bonus allowance is calibrated based on the cost of responding to the intensified demand for public infrastructure generated by increased densities available through the FAR density bonus program.

The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), ~~*and*~~ the San Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, *and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015,* ~~*both*~~ on file with the Clerk of the Board in File*s* No*s*. *150149 and 150790,* and, under Section 401A, adopts the findings and conclusions of those studies and the general and specific findings in that Section, specifically including the Recreation and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, ~~*and*~~ Bicycle Infrastructure Findings, *and Transit Findings,* and incorporates those by reference herein to support the imposition of the fees under this Section.

~~*The Board references the findings supporting these fees in former Planning Code Section 424 et seq. (formerly Section 249.33) and the materials associated with Ordinance No. 72-08 in Board File No. 071157. To the extent that the Board previously adopted fees in this Area Plan that are not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.*~~

* * * *

Section ~~9~~10. The Planning Code is hereby amended by revising Section 401A(b), to read as follows:

SEC. 401A. FINDINGS.

* * * *

(b) Specific Findings: The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), ~~and~~ the San Francisco Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, *and the Transportation Sustainability Fee Nexus Study (TSF Nexus Study), dated May, 2015,* ~~both~~ on file with the Clerk of the Board in File*s* No*s*. *150149 and 150790,* and adopts the findings and conclusions of those studies, specifically the sections of those studies establishing levels of service for and a nexus between new development and ~~four~~ *five* infrastructure categories: Recreation and Open Space~~,~~, Childcare, Streetscape and Pedestrian Infrastructure, ~~and~~ Bicycle Infrastructure*, and Transit Infrastructure*. The Board of Supervisors finds that, as required by California Government Code Section 66001, for each infrastructure category analyzed, the Nexus Analysis and Infrastructure Level of Service Analysis: identify the purpose of the fee; identify the use or uses to which the fees are to be put; determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed; and determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the facility attributable to the development. Specifically, as discussed in more detail in and supported by the Nexus Analysis and Infrastructure Level of Service Analysis the Board adopts the following findings:

* * * *

(5) Transit Findings: See Section 411A.

(~~5~~6) Additional Findings. The Board finds that the Nexus ~~*Analysis*~~ *Analyses* establish~~*es*~~ that the fees are less than the cost of mitigation and do not include the costs of remedying any existing deficiencies. The City may fund the cost of remedying existing deficiencies through other public and private funds. The Board also finds that the Nexus ~~*Study*~~ *Analyses* establish~~*es*~~ that the fees do not duplicate other City requirements or fees. Moreover, the Board finds that ~~*this*~~ *these* fee*s* ~~*is*~~ *are* only one part of the City's broader funding strategy to address these issues. Residential and non-residential impact fees are only one of many revenue sources necessary to address the City's infrastructure needs.

Section ~~10~~11. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section ~~11~~12. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
ANDREA RUIZ-ESQUIDE
Deputy City Attorney

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FILE NO. 151121

REVISED LEGISLATIVE DIGEST

(11/3/2015, Amended in Board)

[Planning Code - Establishing a New Citywide Transportation Sustainability Fee]

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1.

Existing Law

The City imposes several development fees on new development to alleviate the impacts that such development imposes on City services and infrastructure. Some of these fees have Citywide application, such as the Transit Impact Development Fee, or TIDF (codified in Section 411 of the Planning Code), or the Inclusionary Housing Program (codified in Section 415.) Others apply to specific areas of the City, such as the Market and Octavia Community Improvements Fund, the Balboa Park Community Improvements Fund, or the Eastern Neighborhoods Impact Fees and Public Benefit Fund (located at Sections 421, 422 and 423, respectively.)

Amendments to Current Law

This Ordinance would create a new Citywide transportation impact fee, the Transportation Sustainability Fee, or TSF. The TSF would replace the TIDF, with some exceptions. While the TIDF applies to commercial development, the TSF would apply to both residential and non-residential developments in the City.

The Ordinance contains extensive findings setting forth the need and justification for the TSF. The findings explain that the City prepared a study (the TSF Nexus Study) to ensure the imposition of the TSF complies with the Mitigation Fee Act, California Government Code Section 66001 et seq.

The Ordinance establishes the applicability of the TSF as follows:

- The TSF applies to any development project in the City which results in:
  - more than twenty new dwelling units;
  - new group housing facilities, or additions of 800 gross square feet or more to an existing group housing facility;
  - new construction of a non-residential use in excess of 800 gross square feet, or additions of 800 square feet or more to an existing non-residential use; or
  - new construction of a production, distribution and repair (PDR) use in excess of 1,500 gross square feet, or additions of 800 square feet or more to an existing PDR use;
  - change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or TIDF.

- Some projects are exempt from the Ordinance, such as City projects, state or federal projects, affordable housing projects, small businesses, and certain nonprofit projects. In this last category, the Ordinance specifies that Hospitals and Medical Services that require an Institutional Master Plan shall not be exempt. Post-Secondary Educational Institutions, which were proposed to pay the fee in the Ordinance as introduced, now are proposed to be exempt.

- The Ordinance suspends the application of the TIDF for as long as the TSF remains operative, with some exceptions, and provides that if by any reasons the TSF is determined to be invalid, in whole or in part, the TIDF shall no longer be suspended and shall become immediately operative.

- The Ordinance provides for the grandfathering of some projects currently in the development pipeline. More specifically, it requires that:
  - projects that have a development application approved before the effective date of the Ordinance shall not pay the TSF, but shall be subject to the TIDF and any other applicable fees;
  - projects that have filed a development application or an environmental review application on or before July 21, 2015, but have not received approval of any such application, shall pay the TSF as follows: residential uses shall pay 50% of the applicable residential TSF rate; and non-residential and PDR uses shall pay the applicable TIDF rate – as well as any other applicable fees.
  - projects that have filed their first application, whether a development application or an environmental review application, after July 22, 2015, and have not received approval of any such application, shall pay the TSF as follows: residential uses shall pay 100% of the applicable residential TSF rate; and non-residential and PDR uses shall pay 100% of the applicable Non-residential or PDR TSF rate – as well as any other applicable fees.

The Ordinance establishes the TSF Schedule, stating how much money the different land use categories must pay, per gross square foot (gsf) of development, as follows:

- Residential Uses, 21-99 units: $7.74;
- Residential Uses, all units above 99 units : $8.74;
- Non-Residential Uses (except for Hospitals and Medical Services), 800-99,999 gsf: $18.04;
- Non-Residential Uses (except for Hospitals and Medical Services), all gsf above 99,999 gsf: $19.04;
- Hospitals, on net new bed area, $18.74;
- Medical Services, all gsf above 12,000 gsf: $11.00;
- PDR Uses: $7.61.

It also provides for a method to calculate the fees for Residential Uses and Hospitals. Hospitals do not pay the fee on total gross square footage of new development, but on a net new bed area calculation, as specified in the Ordinance.

These rates are to be adjusted on an annual basis every January 1, based on the Annual Infrastructure Construction Cost Inflation Estimate, as described in Section 409(b).

The Ordinance also sets forth an Expenditure Plan, with five broad expense categories of projects among which the TSF funds must be allocated, while giving priority to specific projects identified in the different Area Plans. These categories are Transit Capital Maintenance; Transit Service Expansion and Reliability Improvements (both for San Francisco and Regional Providers); Complete Streets (Bicycle and Pedestrian) Improvements; and Program Administration. The Ordinance specifies what percentage of the TSF funds must go to each category.

The Ordinance mandates that every three years, or sooner if requested by the Mayor, the Board of Supervisors, or the Planning Commission, the SFMTA shall update the TSF Economic Feasibility Study that was prepared as part of the TSF effort.

The Ordinance also mandates that, when preparing the 5-year report required under the Section 410, of the Planning Code, the Planning Director and the Controller take into account, to the extent possible, the feasibility of development fees in the different areas of the City.

The Ordinance makes clean-up and conforming amendments to several sections of the Municipal Codes, including changes to some of the Area Plans sections.

Background Information

This Ordinance is the culmination of several years of study and outreach undertaken by City agencies, together with the County Transportation Authority. As part of that effort, and to comply with the requirements of the Mitigation Fee Act, the City prepared the TSF Nexus Study. The City also prepared a TSF Economic Feasibility Study. Both these documents

support the TSF. They are incorporated by reference in the Ordinance, and can be found in the Board of Supervisors File for the Ordinance.

This Ordinance was introduced on July 21, 2015, and approved at first reading on November 3, 2015. At the November 3, 2015 Board hearing, the Board of Supervisors voted to duplicate the ordinance and send the duplicate ordinance back to Land Use Committee, for consideration of the amendments related to Hospitals, Medical Services, and the grand-fathering provisions that apply to Non-residential and PDR uses.

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Ln clerk
Cpage
File 150790

SAN FRANCISCO
PLANNING DEPARTMENT

AK

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September 11, 2015

Ms. Angela Calvillo, Clerk
Honorable Supervisor Wiener
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 2015-009096PCA:**
Establishing a New Citywide Transportation Sustainability Fee
Board File No. 150790
Planning Commission Recommendation: ***Approval with Modifications***

Dear Ms. Calvillo and Supervisor Wiener:

On September 10, 2015, the San Francisco Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposal introduced by Supervisors Scott Wiener, Breed, and Christensen to: create a new Planning Code Section 411A; amend Planning Code Sections 411 (Transit Impact Development Fee), 401 (Definitions), and 406 (Waiver, Reduction, or Adjustment of Development Project Requirements); and to make other conforming amendments to the Area Plan Fees in Planning Code Article 4. At the hearing, the Planning Commission recommended approval with modifications.

The proposed amendments have been determined to be not a project under the California Environmental Quality Act Guidelines Section 15378(b)(4) and is thus exempt from environmental review. Pursuant to San Francisco's Administrative Code Section 8.12.5 "Electronic Distribution of Multi-page Documents", the Department is sending electronic documents and one hard copy. Additional hard copies may be requested by contacting Lisa Chen at (415)575-9124.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commissions.

Please find attached documents relating to the action of the Planning Commission, as well as a resolution issued by the SFMTA Board of Directors and a list of Board and public comments heard at their September 1st meeting. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

Aaron D. Starr
Manager of Legislative Affairs

cc:
Andres Power, Aide, Supervisor Wiener's Office
Jon Givner, Deputy City Attorney
Andrea Ruiz-Esquide, Deputy City Attorney
Nicole Elliot, Mayor's Director of Legislative & Government Affairs

Attachments (two hard copies of the following):
Planning Commission Resolution
SFMTA Board of Directors Resolution No 15-123
SFMTA Board of Directors September 1st Meeting: Summary of Board Member & Public Comments
Planning Department Executive Summary

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Planning Commission Resolution No. 19454

HEARING DATE SEPTEMBER 10, 2015

Project Name:	**Establishing a New Transportation Sustainability Fee**
Case Number:	2015-009096PCA [Board File No. 150790]
Initiated by:	Mayor Lee and Supervisor Wiener, Supervisor Breed, and Supervisor Christensen / Substituted September 8, 2015
Staff Contact:	Lisa Chen, Planner, Citywide Division lisa.chen@sfgov.org, 415-575-9124
Reviewed by:	Adam Varat, Senior Planner, Citywide Division adam.varat@sfgov.org, 415-558-6405
Recommendation:	**Recommend Approval**

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE AMENDING THE PLANNING CODE BY ESTABLISHING A NEW CITYWIDE TRANSPORTATION SUSTAINABILITY FEE AND SUSPENDING APPLICATION OF THE EXISTING TRANSIT IMPACT DEVELOPMENT FEE, WITH SOME EXCEPTIONS, AS LONG AS THE TRANSPORTATION SUSTAINABILITY FEE REMAINS OPERATIVE; AMENDING SECTION 401 TO ADD DEFINITIONS REFLECTING THESE CHANGES; AMENDING SECTION 406 TO CLARIFY AFFORDABLE HOUSING AND HOMELESS SHELTER EXEMPTIONS FROM THE TRANSPORTATION SUSTAINABILITY FEE; MAKING CONFORMING AMENDMENTS TO THE AREA PLAN FEES IN ARTICLE 4 OF THE PLANNING CODE; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND MAKING FINDINGS, INCLUDING GENERAL FINDINGS, FINDINGS OF PUBLIC NECESSITY, CONVENIENCE AND WELFARE, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE SECTION 101.1.

WHEREAS, on September 8, 2015 Mayor Lee and Supervisors Wiener, Breed, and Christensen introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 150790, which would amend the Planning Code to establish a new Transportation Sustainability Fee (hereinafter TSF) and suspend application of the current Transit Impact Development Fee (TIDF), with some exceptions, for as long as the TSF is in effect; and

WHEREAS, San Francisco is a popular place to work, live and visit, placing strain on the City's existing transportation network; and

WHEREAS, Since 1981, the City has imposed a Transit Impact Development Fee ("TIDF") on new development in the City, first limited to office space in the downtown core, and expanded to most non-residential uses citywide in 2004; and

WHEREAS, Starting in 2009, the City and the San Francisco County Transportation Authority have worked to develop a comprehensive citywide transportation fee and supporting nexus study (the "TSF Nexus Study"), published in 2015; and

WHEREAS, The TSF Nexus Study concluded that all new land uses in San Francisco will generate an increased demand for transportation infrastructure and services, and recommended that the TSF apply to both residential and non-residential development project in the City; and

WHEREAS, This fee would help offset impacts of both residential and non-residential development projects on the City's transportation network, including impacts on transportation infrastructure that support pedestrian and bicycle travel; and

WHEREAS, The TSF rates take into consideration the recommendations of a TSF Economic Feasibility Study that analyzed the impact of the TSF on the feasibility of development projects throughout the City; and

WHEREAS, The TSF Expenditure Plan will help enable the San Francisco Municipal Transportation Agency ("SFMTA") and other regional transportation agencies serving San Francisco to meet the demand generated by new development and thus maintain their existing level of service; and

WHEREAS, The TSF will require sponsors of development projects in the City to pay a fee that is reasonably related to the financial burden such projects impose on the City's transportation network; and

WHEREAS, Every five years, or sooner if requested by the Mayor or the Board of Supervisors, the SFMTA will update the TSF Economic Feasibility Study, analyzing the impact of the TSF on the feasibility of development, throughout the City; and

WHEREAS, The Planning Department determined that the proposed legislation is not a project under the California Environmental Quality Act, as a "government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." (CEQA Guidelines Section 15378(b)(4)); and

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on September 10, 2015; 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 1650 Mission Street, Suite 400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; now, therefore, be it

MOVED, that the Planning Commission hereby recommends that the Board of Supervisors **approval the proposed ordinance with the following modifications:**

1. Grandfather residential projects before July 1, 2014 with a 50% fee reduction and residential projects after July 1, 2014 with a 25% fee reduction;

2. Exempt non-profit secondary institutions that require a full Institutional Master Plan from paying the fee;

3. Apply the fee to non-profit hospitals that require a full Institutional Master Plan;

4. Request that the Board consider fee rates of up to 33% of nexus, subject to further analysis of development feasibility;

5. Request that the Board consider graduated fee rates based on area/neighborhood of the city, and/or consider removing the area plan fee reduction; and,

6. Require economic feasibility analysis updates every three years rather than five, and include the Planning Commission as an entity that may request analyses sooner.

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:

7. Substantial investments in infrastructure are needed to address the predicted demands on the transportation system and street network generated by new growth.

8. The TSF is an efficient and equitable method of providing funds to address the transportation demands imposed on the City by new development projects, and is projected to generate approximately $1.2 billion in revenue over the next 30 years, of which approximately $420 million would be new revenue.

9. The TSF rates were set to maximize revenues for transportation and complete streets without making developments too costly to build, and were based on the findings of the TSF Nexus Study and TSF Economic Feasibility Study.

10. **General Plan Compliance.** The proposed amendments to the Planning Code are not addressed in the General Plan; the Commission finds that the proposed Ordinance is not inconsistent with the Objectives and Policies of the General Plan.

11. **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 impact on neighborhood serving retail uses and will not impact 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.

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

   The proposed Ordinance would not have an adverse effect on 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, and would raise revenues to enhance transit service and improve streets to meet growing demand.

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 due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

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 impact 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 impact on the City's Landmarks and 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 impact on the City's parks and open space and their access to sunlight and vistas.

8. **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 recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on September 10, 2015.

Jonas P. Ionin
Commission Secretary

AYES: Fong, Wu, Antonini, Hillis, Johnson, Moore, Richards

NOES:

ABSENT:

ADOPTED:

SAN FRANCISCO
PLANNING DEPARTMENT

Executive Summary
Planning Code Text Change
HEARING DATE: SEPTEMBER 10, 2015

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Project Name:	**Establishing a New Citywide Transportation Sustainability Fee**
Case Number:	2015-009096PCA [Board File No. 150790]
Initiated by:	Mayor Lee, Supervisor Wiener, Supervisor Breed, and Supervisor Christensen / Substituted July 28, 2015
Staff Contact:	Lisa Chen, Planner, Citywide Division lisa.chen@sfgov.org, 415-575-9124
Reviewed by:	Adam Varat, Senior Planner, Citywide Division adam.varat@sfgov.org, 415-558-6405
Recommendation:	**Recommend Approval**

PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Planning Code by: establishing a new citywide Transportation Sustainability Fee (TSF) and suspending application of the existing Transit Impact Development Fee (TIDF), with some exceptions, as long as the TSF remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; amending conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and, making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

Overview: The Transportation Sustainability Program (TSP)

San Francisco is a popular place to work, live and visit, placing strains on the City's existing transportation network. The City is projected to grow substantially over the next 25 years – by 2040, up to 100,000 new households and 190,000 new jobs are expected in San Francisco.[1] Without enhancements to our transportation network, this growth will result in more than 600,000 cars on our streets – or more than all the cars traveling each day on the Bay and Golden Gate bridges combined. If we don't invest in transportation improvements citywide, we can expect unprecedented gridlock on our streets, and crowding on our buses and trains.

The City is addressing the need to enhance and expand the system in a comprehensive way, including making multiple public investments in key projects such as:

[1] Association of Bay Area Governments (ABAG), *Projections 2013.*

- Transit capital and operational investments (Central Subway, Muni Forward, Bus Rapid Transit Projects, etc.)
- Bicycle infrastructure (protected lanes, parking, etc.)
- Pedestrian safety (Vision Zero, Walk First, etc.)

The Transportation Sustainability Program ("TSP") is an initiative aimed at improving and expanding the transportation system to help accommodate new growth, and creating a policy framework for private development to contribute to minimizing its impact on the transportation system, including helping to pay for the system's enhancement and expansion. The TSP is a joint effort by the Mayor's Office, the San Francisco Planning Department, the San Francisco County Transportation Authority and the San Francisco Municipal Transportation Agency (SFMTA), comprised of the following three components:

1. **Invest: Fund Transportation Improvements to Support Growth.** The proposed Transportation Sustainability Fee ("TSF") would be assessed on new development, including residential development, to help fund improvements to transit capacity and reliability as well as bicycle and pedestrian improvements.

2. **Align: Modernize Environmental Review.** This component of the TSP will change how the City analyzes impacts of new development on the transportation system under the California Environmental Quality Act (CEQA). This reform has been prompted by California State Bill 743, which requires that the existing Level of Service (LOS) transportation review standard be replaced with a more meaningful metric such as Vehicles Miles Traveled (VMT). The Governor's Office of Planning and Research (OPR) and the Secretary of Natural Resources are currently working to develop the new transportation review guidelines, and are expected to release new CEQA guidelines in 2016.

3. **Shift: Encourage Sustainable Travel.** This component of the TSP will help manage demand on the transportation network through a Transportation Demand Management (TDM) Program, making sure new developments are designed to make it easier for new residents, visitors, and workers to get around more easily without a car. The City will create a consolidated menu of TDM options to help developers design projects that encourage more environmentally-friendly travel modes such as transit, walking, and biking. Public outreach on the TDM program is expected to begin in Fall or Winter 2015.

These three components are discrete policy initiatives that are programmatically linked through the TSP. The focus of this Planning Code amendment is on the first component of the program, the Transportation Sustainability Fee (TSF), which was introduced at the Board of Supervisors by Mayor Lee and co-sponsoring Supervisors Wiener, Breed, and Christensen on July 21st, 2015 [BOS File No. 150790]. The changes to CEQA are being led at the state level, while the TDM component will be considered separately at future hearings.

The TSF is a proposed citywide development impact fee intended to help offset the impact of new development on the City's transportation system. In 2013, Mayor Edwin Lee convened a Transportation Task Force to investigate what San Francisco needs to do to fix our transportation

network and prepare it for the future. The Task Force found that in order to meet current need and future demand, the City needs to invest $10 billion in transportation infrastructure through 2030, including $6.3 billion in new revenue. In November 2014, San Francisco voters passed Proposition A, approving a $500 million one-time investment in transportation infrastructure. They also passed Proposition B, which is projected to contribute about $300 million for transportation over the next 15 years. These funds are dedicated to improving the City's existing transportation infrastructure and do not materially address the need to expand the system's capacity, which will be required to accommodate new growth.

The TSF would provide additional revenue to help fill the City's transportation funding gap. The TSF would replace the current Transit Impact Development Fee (TIDF; Planning Code Section 411), which is a citywide impact fee on nonresidential development, and would expand applicability to include both larger market-rate residential and nonresidential uses. Developments would pay the proposed fee, contributing a portion of their fair share to help pay for transportation system expansion and efficiency measures to serve the demand created by new residents and workers.

On May 15, 2012, Mayor Lee, along with co-sponsoring Supervisors Wiener and Olague, introduced a previous ordinance to establish a Transportation Sustainability Fee [BOS File no. 120524], which was proposed to replace the TIDF and expand applicability to residential and nonprofit uses. At that time, the fee was contemplated as both a mitigation fee under CEQA and a development impact fee, and a draft nexus study and economic feasibility study were developed.

The TSF was reintroduced by Mayor Lee and co-sponsoring Supervisors Wiener, Breed, and Christensen on July 21, 2015. As part of the new proposal, the City and the San Francisco County Transportation Authority have reconfigured the program and are now proposing the TSF as a development impact fee only. This proposal includes an updated nexus study and economic feasibility study (Exhibits D and E, respectively), as well as an expenditure plan that would allocate funds towards categories of projects intended to offset impacts of new development on the City's transportation network, including transit capital maintenance, transit expansion and reliability, and pedestrian and bicycle projects.[2]

In the course of developing the TSF proposal, staff conducted extensive outreach to affected stakeholders to solicit feedback on the fee. Public outreach included but was not limited to the following groups: Citizen Advisory Committees (SFMTA, SFCTA, Eastern Neighborhoods, Market & Octavia); SFCTA Board; Housing Action Coalition; Chamber of Commerce; Residential Builders Association; BART; Hospital Council; SFMTA Board Policy and Governance Committee and Full Board, San Francisco Bicycle Coalition; WalkSF; residential and commercial real estate developers; participants in the Muni Equity Strategy Working Group – including Chinatown Community Development Center, Transit Riders, Senior & Disability Action, Council of Community Housing Organizations; SPUR; BOMA; San Francisco Labor Council; the Small Business Commission, and others. A full schedule of outreach meetings and public hearings is

[2] The Complete Streets nexus was established by the Citywide Nexus Study available at: http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/20140403_SFCityWideNexusAnalysis_March2014.pdf

attached (Exhibit F). Staff considered the feedback received during this process when drafting the proposed legislation.

The Way It Is Now:

The Transit Impact Development Fee, or TIDF (Section 411), is an impact fee levied on most non-residential development citywide and serves as the City's primary mechanism to offset the impacts of new development on the transportation system. Revenue generated by the fee is directed to the SFMTA and used to fund Muni transit capital and preventive maintenance. First enacted in the Downtown area by local ordinance in 1981, the fee has been amended in 2004, 2010, and 2012 to expand both the geographic scope and the types of development subject to the fee, in recognition that a broad range of uses have impacts on the City's transit system. The TIDF rates are applied to seven non-residential economic activity categories as follows:

Table 1. Transit Impact Development Fee (TIDF)
(2015 Rates)

Use	*Fee [$/GSF]*
Management, Information, and Professional Services	$13.87
Retail/Entertainment	$14.59
Cultural/Institution/Education	$14.59
Medical	$14.59
Visitor services	$13.87
Museum	$12.12
PDR	$7.46

The TIDF does not apply to residential uses, and currently there is no citywide transportation impact fee on residential uses. However, in many plan areas, both residential and nonresidential projects pay an area plan impact fee that allocates a portion of revenues to transportation within the specific Area Plans. Many of these area plans also allocate a portion of funds to complete streets projects (such as pedestrian safety and bicycle projects); however, there is currently no citywide impact fee dedicated to complete streets projects.

The TIDF also exempts properties owned and operated by non-profits (through a Charitable Exemption process per Section 411.8) and by the city, state, and federal governments. Projects that fall within a redevelopment plan or an area covered by an existing development agreement are also exempt, to the extent that application of the fee would violate the terms of that plan or agreement.

Required payment of the TIDF is triggered by an application for any of the following:

- New construction of 800 square feet or greater;
- Additions of greater than 800 square feet to an existing building; and,
- Changes of use greater than 800 square feet from an economic activity category with a lower fee rate to a category with a higher fee rate.

A prior use credit is available for existing uses on the project site, as long as such uses were an approved and active use within five years prior to the date of the development application.

Finally, the existing TIDF includes a Policy Credit program (Section 411.3(d)(2)) that may reduce or eliminate the fee burden for some projects if they reduce onsite parking supply or if they qualify as a small business (defined as a business that is less than 5,000 square feet; formula retail uses are ineligible). Credits are available first-come, first-served on an annual basis, until the annual limit is reached (equal to 3% of the total anticipated TIDF revenue for the current fiscal year).

The Way It Would Be:

Proposed TSF Fee Rates

If adopted, the TSF would replace the current TIDF for as long as the TSF remains in effect. It would apply to commercial developments, large market-rate residential developments, and large non-profit universities (those that are required to submit a full Institutional Master Plan per Section 304.5). Under the TSF, there would be no change in the status quo for the vast majority of nonprofits, who would continue to be eligible for a Charitable Exemption. The TSF would consolidate land use categories into residential, non-residential, and PDR, consistent with other Planning Code impact fees. Table 2 shows the proposed fee TSF rates and how they compare to the current TIDF rates.

Table 2. TIDF vs. TSF Proposed Fee Schedule

Use	*Existing: Transit Impact Development Fee (TIDF)* [$/GSF]	*Proposed: Transportation Sustainability Fee (TSF)* [$/GSF]
Residential	n/a	$7.74
Nonresidential	$13.87 - $14.59	$18.04
PDR	$7.46	$7.61

These proposed fee amounts were informed by two reports: the San Francisco Transportation Sustainability Fee Nexus Study ("TSF Nexus Study") and the San Francisco Transportation Sustainability Fee Economic Feasibility Study ("TSF Economic Feasibility Study"). The TSF Nexus Study describes the total cost to the City of providing transit service to the new population, based on the increased transportation demand from new development. The TSF Economic Feasibility Study evaluated the potential impact of a range of fee levels on new development, to determine how high fees could be set without making projects too costly to

build. See the following sections for further discussion of how the proposed fee amounts were established.

The legislation would require the City to update the TSF Economic Feasibility Study every five years, or sooner if requested by the Mayor or the Board of Supervisors. This update will analyze the impact of the TSF on the feasibility of development throughout the city.

TSF Nexus Study

The proposed fee rates are based on two technical documents – the TSF Nexus Study and the TSF Economic Feasibility Study. The TSF Nexus Study, developed by Urban Economics, is intended to meet the requirements of the California Mitigation Fee Act. (California Government Code Section 66000 et seq). This statute establishes requirements and principles for local jurisdictions to impose certain fees as a condition of development approval. One of the requirements is that the local jurisdiction establish a reasonable relationship or "nexus" between the impacts of new development and the use of the proposed fee.

The TSF Nexus Study identified a range of transportation projects that will be needed to serve new growth and established that the total cost to the City of providing these services through 2040 is as follows:

Table 3: Maximum Justified TSF[1] per Building Square Foot (2015 dollars)

Use	*Transit*[2]	*Complete streets*[3]	*Total*
Residential	$22.59	$8.34	$30.93
Nonresidential (excluding PDR)	$80.68	$6.74	$87.42
Production, Distribution, Repair (PDR)	$22.59	$3.48	$26.07

1. The TSF Nexus Study describes the maximum amount of development impact fees that can be charged for transit and complete streets projects, inclusive of citywide fees (e.g. TIDF, TSF) and any area plan impact fees that include a transit or complete streets component.
2. Includes transit capital maintenance and transit capital facilities.
3. Nexus established in the San Francisco Citywide Nexus Study (2014). Includes bicycle facilities plus pedestrian and other streetscape infrastructure.

The nexus study methodology involved estimating the demand for new infrastructure, based on a consistent set of development estimates for 2010 and land use projections for 2040. These estimates are converted to trip generation estimates and used to evaluate the impact of development on the transportation system, and subsequently, the cost of new infrastructure needed to address this demand. Further information on the land use and trip generation assumptions used to establish the maximum justified TSF rates can be found in Appendix A of the TSF Nexus Study.[3]

[3] Residential trip generation calculations are based on housing unit sizes from the Eastern Neighborhoods Nexus Study (2008). Nonresidential trip generation calculations are based on trip generation rates from the TIDF Nexus Study (2011)

The nexus study determines the legally justified maximum rate that can be charged to new development. In order to understand the implications of the fee on new development, the City also commissioned a TSF Economic Feasibility Study to help determine the ultimate fee rates.

TSF Economic Feasibility Study

The concurrent TSF Economic Feasibility Study, conducted by Seifel Consulting, helped inform what fee levels would maximize transportation revenues, without stifling development or causing housing and commercial real estate costs to increase substantially. The study evaluated the potential impact of the proposed TSF on new residential and non-residential developments citywide, by modeling the financial feasibility of ten development prototypes (seven residential, three nonresidential) under several fee scenarios, representing fee rates ranging from 100% to 250% of levels initially proposed in the 2012 TSF proposed ordinance. This translates to a range of $6.19 - $15.48/GSF for residential uses and $14.43 - $36.08/GSF for nonresidential uses.

The economic feasibility study found that the current market could support $7.74/GSF for residential uses and $18.04/GSF for non-residential uses citywide, or roughly 125% of the levels proposed in 2012 (accounting for cost inflation). These fees would amount to an increase of roughly 1 to 2% of construction costs for residential developments, and less than 1% of construction costs for nonresidential projects, depending on project and construction type. The study found that this would not have a major impact on overall project feasibility or resulting housing costs in neighborhoods where most new development is occurring.

The study also found that raising the TSF above these proposed amounts could inhibit development feasibility in some areas of the city and for some project types. New development in certain neighborhoods in the City – such as the western neighborhoods and outer Mission – have lower than average price levels and rents and may not be financially feasible given the current high cost of construction relative to potential revenues. While the TSF itself will not cause these developments to be infeasible, it may further distance these areas from development feasibility. As the City wants to ensure that new housing and other development can occur in these areas, the study recommended setting fees no higher than what was ultimately proposed in the TSF ordinance. As part of the TSF proposal, the City will renew the economic feasibility analysis every five years – or sooner if requested by the Mayor or the Board of Supervisors – to ensure that the fee levels are appropriate.

The following Table 4 illustrates the proposed TSF rates compared to the maximum justified nexus amounts identified in the TSF Nexus Study, taking into consideration the contribution of area plan fees which may include expenditures that fall under the transit and complete streets nexus categories.

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and employment density factors that are consistent with the Planning Department's land use allocation tool, with the exception of office development. Office trip generation calculations utilize the TIDF trip generation rate and an employment density factor that blends the citywide factor with the recent figure identified in the Central SoMa draft EIR analysis, which found that the area has higher employment densities than the city average (see Table A-3 of the TSF Nexus Study for more information).

Table 4. Proposed Fees compared to Transit and Complete Streets Nexus

Use	*Proposed TSF ($/GSF)*	*Transit: Total fees as a % of maximum justified nexus*[1]	*Complete streets: Total fees as a % of maximum justified nexus*[1]
Residential	**$7.74**	**33% - 34%** *(in area plans: 33% - 34%)*	**3% - 99%** *(in area plans: 30% - 99%)*
Non-residential	**$18.04**	**21% - 32%** *(in area plans: 22% – 32%)*	**8% - 89%** *(in area plans: 18% – 89%)*
PDR	**$7.61**	**32% - 33%** *(in area plans: 32% - 33%)*	**7%** *(in area plans: 7%)*

1. "Total fees as a % of maximum justified nexus" includes portions of area plan impact fees that are dedicated to transit and complete streets projects, with the exception of the Transit Center District Plan area. That area plan fee (the Transit Center Transportation & Street Improvement Fee) has a separate nexus designated for specific projects meant to address the substantial impacts on transit associated with areas developed to such a high level of density.

TSF Applicability and Exemptions

The proposed TSF would apply to any development project that results in:

- More than 20 new dwelling units
- New group facilities, or additions of 800 gross square feet or more to an existing group housing facility
- New construction or additions of non-residential or PDR uses greater than 800 gross square feet
- Changes/replacement of use from a category with a lower fee rate to a category with a higher fee rate

The following table summarizes how these fee triggers compare to the current TIDF.

Table 5: Fee Triggers, TIDF vs. Proposed TSF

Development Type	*TIDF Fee Trigger*	*Proposed TSF Fee Trigger*
Non-residential and PDR	New construction of 800 sf or greater Additions of 800 sf or greater	New construction of 800 sf or greater Additions of 800 sf or greater
Residential	n/a (not assessed on residential)	Any development (new construction or additions) that results in more than 20 new units New group housing facilities or additions of 800 sf or more to an existing facility
Changes of use	All changes of use of 800 sf or greater	All changes of use, except for small businesses (see below)

Under the proposed TSF, the following types of development would be **exempt** from paying the fee. Many of these exemptions are intended to ensure that the TSF is aligned with other citywide policy goals (e.g. increasing production of affordable housing).

- Affordable housing: income-restricted housing units up to 80% of AMI, consistent with other Planning Code impact fees; income-restricted middle-income units up to 150% of AMI if they are located in a building where all of the units are income-restricted. Inclusionary housing units as required under Section 415 would still be subject to the fee.
- HOPE SF projects, including market-rate and affordable units, and non-residential square footage.
- Small businesses (< 5,000 square feet) applying for a change of use from PDR to Non-Residential, except formula retail.
- Non-profit institutions (same as existing TIDF), except for large non-profit universities that are required to submit a full Institutional Master Plan (Section 304.5).
    - Non-profit hospitals would continue to be exempt. However, the ordinance proposes that the Board of Supervisors may vote to apply the TSF to hospitals when California's Seismic Safety Law requirements are exhausted (currently estimated for 2030).
- Projects that fall within a redevelopment plan or area covered by a development agreement, to the extent that application of the fee would violate the terms of that plan or agreement (same as existing TIDF).
- City-, state-, and federally-owned projects (same as existing TIDF).

The proposed TSF would eliminate the current TIDF requirement for prior uses to be active within the last five years in order to receive a fee credit, which would increase the number of projects that would be eligible to receive a credit for prior uses on site. This change would streamline administration of the fee and is consistent with the way other area plan fees are assessed in the Planning Code.

The proposal would also eliminate the policy credits program currently in the TIDF, which is a first-come, first-served program to reduce or eliminate fees for small businesses and projects that reduce onsite parking. The TSF proposes a small business exemption that would, in effect, expand the existing policy credit system and apply it to all qualifying small businesses, obviating the need for a credit. The TSF would not provide any reduction or credit for projects that reduce onsite parking. The existing policy credit system does not serve as an adequate incentive for developers to reduce their parking supply, as the available credits are very limited in scope and are typically expended early in the year. However, parking reduction is being contemplated as one of the tools that may be included in a future Transportation Demand Management program, which is another component of the TSP.

Relationship to Area Plan Fees

Developments in many plan areas – where much of the city's growth is concentrated – currently pay area plan impact fees that require a specific portion of revenues to be allocated to transit and/or complete streets projects. Under the TSF proposal, residential projects in some area plans may be eligible for a reduction of their area plan fee, which can help offset some of the cost of the TSF. Non-residential developments would not receive such a fee reduction, and would continue to pay both the full citywide transportation fee (the proposed TSF) and the full area plan impact fee, as they do under the existing TIDF.

The area plan fee reduction for residential uses would be equal to the transit component of the area plan infrastructure fee, up to the full amount of the TSF. (For example, the Market & Octavia Community Improvements Fee on residential uses requires 22% of fee revenues to be allocated to transit projects, so the fee reduction would be $10.92/GSF (2015 rates) multiplied by 22%, which equals $2.40/GSF.) Residential projects (as well as non-residential projects) would continue to pay the complete streets portion of the area plan in full, and would not receive any fee reduction for this amount.

Taking into consideration the area plan fee reduction, the net new residential fee under the proposed TSF would be as follows:

Table 6: Residential Fee Increases in Area Plans Under Proposed TSF (2015 fee rates)

Plan area	*Area plan residential fee reduction ($/GSF)*	*Net new residential fee (Proposed TSF Rate, Less area plan fee reduction) ($/GSF)*
Outside of Area Plans	$0.00	$7.74
Eastern Neighborhoods		
Tier 1	$0.97	$6.77
Tier 2	$1.46	$6.28
Tier 3	$1.94	$5.80
Balboa Park	$1.17	$6.57
Market & Octavia	$2.40	$5.34
Van Ness & Market SUD	$4.00	$3.74
Visitacion Valley[1]	$0.00	$7.74
Rincon Hill[1]	$0.00	$7.74
Transit Center District Plan (TCDP)[2]		
Tier 1 (FAR below 1:9)	$0.00	$7.74
Tier 2 (FAR 1:9 to 1:18)	$0.00	$7.74
Tier 3 (FAR above 1:18)	$0.00	$7.74

1. The area plan fees for Visitacion Valley and Rincon Hill do not include a component for transit, so there would be no area plan fee reduction.
2. Transit Center District Plan is not eligible for an area plan fee reduction. The Transit Center Transportation and Street Improvement Fee is designated to address the substantial impacts on transit associated with development to such a high degree of density.

Grandfathering of Projects in the Development Pipeline

The proposed legislation includes a grandfathering provision for projects that are currently under review by the City, in recognition of the fact that such projects may not have anticipated the cost of the TSF when making past financial decisions about their development projects. The grandfathering proposal is as follows:

- **Projects that have received a planning entitlement:** these projects would not be subject to the TSF, but would be subject to the TIDF and pay the existing TIDF rates.
- **Projects that have submitted a development application, but have not received an entitlement:**
  - Residential projects would pay 50 percent of the new TSF rate.
  - Non-residential and PDR projects would be subject to the TIDF, and would pay the full amount of the existing TIDF rate.

Projects would continue to be subject to any other existing applicable impact fees, such as Area Plan impact fees.

TSF Expenditure Plan

The TSF is projected to generate a total of approximately $1.2 billion in over 30 years. If the fee is not adopted, the TIDF would generate about $24 million a year on average for transit capital and maintenance projects. The TSF is expected to generate an additional $14 million a year in revenue – resulting in over $400 million in net new revenue over 30 years. It will expand eligible expenditures to include transit service expansion and reliability improvements, bicycle/pedestrian projects, and program administration, in addition to the transit capital maintenance projects that are currently funded by the TIDF. Table 7 indicates how much revenue the TSF is projected to raise annually and over 30 years, and what the predicted cost is of the proposed fee exemptions and grandfathering.

Table 7: Projected TSF Revenues (2015$)

Category	*Annual revenue*	*30-year revenue total*
TSF	$45,700,000	$1,370,000,000
Less: TIDF (existing)	($24,000,000)	($719,400,000)
Less: Exemptions & Grandfathering[1]	($7,700,000)	($230,000,000)
Net new revenue under proposed TSF	**$14,000,000**	**$420,600,000**
Total TSF	**$38,000,000**	**$1,170,000,000**

1. Includes projected revenue loss due to exemptions for affordable housing, small residential (≤ 20 units), small businesses, and non-profits, plus grandfathering for projects in development pipeline.
2. Figures are rounded to nearest $1000.

Tables 8 and 9 show how the TSF expenditure program would be allocated among project types. TSF revenue would help fund projects that fall within these categories, such as (but not limited to): the expansion of the Muni fleet, reliability and travel time improvements projects, upgrades to Muni maintenance facilities, improvements to regional transit (such as retrofitting BART train

cars to provide more space for passengers and bikes), and improvements to bike and pedestrian infrastructure.

Table 8. TSF Expenditure Program (Proposed Table 411A.6A)
(except Rincon Hill and Visitacion Valley)

Project type	*% expenditure*
Transit Capital Maintenance (Replaces current TIDF expenditures)	61%
Transit Service Expansion and Reliability Improvements - SF	32%
Transit Service Expansion and Reliability Improvements - Regional	2%
Complete Streets (Bicycle and Pedestrian Improvements)	3%
Program Administration	2%

Table 9. TSF Expenditure Program (Proposed Table 411A.6B)
(in Rincon Hill and Visitacion Valley[1])

Project type	*% expenditure*
Transit Capital Maintenance (Replaces current TIDF expenditures)	61%
Transit Service Expansion and Reliability Improvements - SF	35%
Transit Service Expansion and Reliability Improvements - Regional	2%
Complete Streets (Bicycle and Pedestrian Improvements)	0%
Program Administration	2%

1. The TSF expenditure plan in Rincon Hill and Visitacion Valley area plans does not allocate funds to complete streets, as these area plan fees do not include any transit expenditures and already allocate a high proportion of funds to complete streets improvements.

Fee revenues would be collected by the Planning Department and then routed to the SFMTA to be allocated through an interagency process that will be outlined in a Memorandum of Understanding, currently being developed. The SFMTA and the Mayor's Office, as part of the regular budgeting process, will develop a five-year spending plan and a two-year expenditure budget for each category. As part of this process, SFMTA and the Mayor's office will confer with the County Transportation Authority. Every two years the Controller's Office will produce a report identifying the fees collected and actual expenditures by project in each category, which will be reviewed at the City's Capital Planning Committee.

In order to respond to community feedback that projects should prioritize areas where significant growth is anticipated to occur, language was added in the substitute ordinance (introduced July 28, 2015) specifying that the expenditure plan shall give priority to transportation projects identified in area plans.

Other amendments to the Planning Code

The fee proposal also includes technical clean up language to clarify definitions, ensure accurate application of the fee, and provide cross-references where necessary. These changes include modifications to impact fee definitions (Section 401) and fee waivers and exemptions applicable to affordable housing (Section 406(b)), as well as conforming language in the area plan impact fees (Sections 418, 420, 421, 422, 423, 424, and 424.7).

ISSUES AND CONSIDERATIONS

TSF Public Outreach and Comment

City staff conducted outreach on the TSF to key stakeholders who would be impacted by the fee, including: Citizen Advisory Committees (SFMTA, SFCTA, Eastern Neighborhoods, Market & Octavia); SFCTA Board; Housing Action Coalition, Chamber of Commerce, Residential Builders Association, BART, Hospital Council, SFMTA Board Policy and Governance Committee and Full Board, San Francisco Bicycle Coalition, Walk SF, residential and commercial real estate developers, participants in the Muni Equity Strategy Working Group – including Chinatown Community Development Center, Transit Riders, Senior & Disability Action, Council of Community Housing Organizations; SPUR; BOMA; San Francisco Labor Council; the Small Business Commission, and others. The proposed legislation incorporates the feedback staff received as part of the stakeholder engagement process. A full schedule of outreach meetings and public hearings is attached (Exhibit F).

The SFMTA Board of Directors unanimously resolved to support adoption of the TSF without modifications at their September 1st meeting, as did the Small Business Commission at their August 24th meeting. Most stakeholders, including residential developers, expressed support for the legislation and acknowledged that new development needs to contribute to fund transportation improvements. Stakeholders raised several issues during the public outreach, as follows:

Small Businesses

The Small Business Commission had questions about the applicability of the fee, particularly as it relates to the 5,000 square foot threshold. Similarly, the Chamber of Commerce had questions about the applicability of the fee to changes of use as well as to formula retail. Staff met with representatives from the Chamber of Commerce and presented at two Small Business Commission meetings at the end of August to address these concerns. At the August 24th hearing, the Small Business Commission voted unanimously to issue a resolution in support of the Transportation Sustainability Fee, without modifications.

Area Plan CACs

Members of the Market/Octavia and Eastern Neighborhoods Community Advisory Committees (CACs) expressed general support of the overall fee concept. They also indicated a desire to ensure that funding would be allocated to projects within the respective area plans. To address

this concern, the proposed legislation states that when allocating revenues, priority should be given to specific projects identified in the different area plans. The Chair and Vice Chair of the Market and Octavia CAC submitted a letter of support for the proposed legislation (attached).

Development Community

Staff from residential and commercial development firms acknowledged that new development may further strain our transportation system, and they were generally supportive of the proposed TSF amounts. However, some developers noted that the grandfathering rates for residential uses were set too high (initially proposed at 75% of the TSF rate, versus 50% in the current proposal) which could make some projects currently in the development pipeline infeasible. Further, some residential builders noted that the fee might disproportionately burden smaller residential projects, which led to the development of the fee exemption for projects 20 units and smaller.

Transportation & Other Advocates

Finally, some advocates have expressed concerns with respect to the fee not being high enough, the grandfathering provisions being too expansive, and the middle-income exemption being too lenient (targeting households that earn up to 150% of AMI). They also requested that the fee be assessed on space dedicated to accessory parking, which is not currently considered as part of gross square footage for the purpose of calculating Planning Code impact fees. As described above, the fee amounts were set based on the findings of the TSF Economic Feasibility Study, with the goal of maximizing transportation revenues while maintaining economic feasibility in a range of neighborhoods around the city. See the "Basis for Recommendation" section below for further discussion of these findings.

Potential Modifications to the Ordinance

As part of the continued public outreach process that occurred in August (coinciding with the recess at the Board of Supervisors), technical code issues were identified that require modifications to the ordinance as substituted on July 28, 2015. These issues are minor and non-substantive in nature, and they are expected to be addressed in an additional substitute version of the ordinance. Any such changes will be identified in a subsequent memo to the Planning Commission.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

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

BASIS FOR RECOMMENDATION

The proposed TSF is projected to generate approximately $1.2 billion in revenue for transportation and complete streets projects to accommodate the City's expected growth, which represents over $400 million net new revenue above current TIDF and Area Plan impact fees. This revenue would help address funding needs identified by the TSF Nexus Study and the Mayor's Transportation Task Force, and would support the City's Transit First Policy by funding more transit vehicles, faster and more reliable transit, and safer streets for all users. During the development of the TSF, outreach was conducted with key stakeholders to inform them about the fee and solicit feedback, much of which has been incorporated in the proposed ordinance.

Combined with the other two components of the Transportation Sustainability Program, the TSF would ensure that new developments are doing their part to contribute to improve the transportation system, as well as minimize their impacts by encouraging more sustainable modes of travel. If adopted, the TSF would be the first citywide transportation fee on residential uses, ensuring that market-rate residential developers throughout the city are paying to improve the transportation system to serve new growth. The fee would also represent the first citywide fee to fund complete streets improvements, which will be allocated to projects that improve safety and comfort for pedestrians and bicyclists. The proposal would also increase the amount that nonresidential developments are expected to pay, generating additional revenue for transportation. The economic feasibility study found that these fees would not have a significant impact on development feasibility or housing costs across the city.

Fee amounts were set with the goal of maximizing transportation revenues, without inhibiting development feasibility. The study found that fee amounts above those proposed in the TSF ordinance could negatively impact development feasibility for some project types and in some areas of the city. Further, the study noted that if the real estate market were to experience a downturn such that future revenue growth is insufficient to cover construction and other development costs, new development will be more sensitive to higher impact fees. For these reasons, the study recommended that the TSF be established at no more than 125% of the initial fee levels, which is consistent with the fee amounts proposed in the TSF ordinance.

Similarly, the TSF grandfathering proposal for residential projects was developed to ensure that the fee does not cause projects currently in the pipeline to become infeasible. Members of the development community acknowledged the need for additional transportation funding, but indicated that payment of 75% of the fee (the amount initially proposed during the outreach process) would be difficult for projects already in the development pipeline that haven't budgeted for this cost in their pro formas. However, they indicated that most residential projects could likely support a 50% fee amount.

Although stakeholders have voiced feedback that the income criteria for the proposed middle-income exemption is too high, staff from the Mayor's Office of Housing and Community Development (MOHCD) have confirmed that the 150% AMI threshold is appropriate and consistent with the agency's eligibility criteria for the Middle Income Rental Housing Program.[4]

Finally, in response to stakeholder comments, staff have investigated whether impact fees could be assessed on space devoted to accessory parking. They found that charging such uses cannot be justified by the TSF Nexus Study, as the study did not include an analysis of whether the amount of accessory parking has a corresponding impact on increased demand for transportation services. However, as mentioned above, parking reduction may be one of the tools considered as part of the Transportation Demand Management program currently under development by the City.

ENVIRONMENTAL REVIEW

The proposal to create a new Planning Code Section 411A; amend Planning Code Sections 411 (Transit Impact Development Fee), 401 (Definitions), and 406 (Waiver, Reduction, or Adjustment of Development Project Requirements); and to make other conforming amendments to the Area Plan Fees in Planning Code Article 4 is exempt from environmental review under Section 15378(b)(4) of the CEQA Guidelines.

RECOMMENDATION:	**Recommendation of Approval**

Attachments:

Exhibit A:	Draft Planning Commission Resolution
Exhibit B:	Board of Supervisors File No. 150790
Exhibit C:	CEQA Findings
Exhibit D:	San Francisco Transportation Sustainability Fee (TSF) Nexus Study
Exhibit E:	San Francisco Transportation Sustainability Fee Economic Feasibility Study
Exhibit F:	TSF Stakeholder Outreach List
Exhibit G:	Public Comments

[4] More information on the Middle Income Rental Housing Program is available at: http://sf-moh.org/index.aspx?page=1411.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 15-123

WHEREAS, San Francisco is a popular place to work, live and visit, placing strain on the City's existing transportation network; and,

WHEREAS, Since 1981, the City has imposed a Transit Impact Development Fee ("TIDF") on new development in the City, first limited to office space in the downtown core, and expanded to most non-residential uses citywide in 2004; and

WHEREAS, Starting in 2009, the City and the San Francisco County Transportation Authority have worked to develop a comprehensive citywide transportation fee and supporting nexus study (the "TSF Nexus Study"); and

WHEREAS, The TSF Nexus Study concluded that all new land uses in San Francisco will generate an increased demand for transportation infrastructure and services, and recommended that the TSF apply to both residential and non-residential development project in the City; and

WHEREAS, This fee would help offset impacts of both residential and non-residential development projects on the City's transportation network, including impacts on transportation infrastructure that support pedestrian and bicycle travel; and,

WHEREAS, As part of implementation of the TSP, the Board of Supervisors has pending before it legislation that would amend the City's Planning Code by establishing a new Section 411A, imposing a citywide transportation fee, the Transportation Sustainability Fee, which will help enable the San Francisco Municipal Transportation Agency ("SFMTA") and other regional transportation agencies serving San Francisco to meet the demand generated by new development and thus maintain their existing level of service, and

WHEREAS, Section 411A will require sponsors of development projects in the City to pay a fee that is reasonably related to the financial burden such projects impose on the City's transportation network; and

WHEREAS, The TSF is an efficient and equitable method of providing funds to address the transportation demands imposed on the City by new development projects; and

WHEREAS, Every five years, or sooner if requested by the Mayor or the Board of Supervisors, the SFMTA will update the TSF Economic Feasibility Study, analyzing the impact of the TSF on the feasibility of development, throughout the City and

WHEREAS, The TSF would replace the TIDF, suspending the TIDF as long as the TSF remains in effect; and

WHEREAS, Subject to economic conditions, the TSF is projected to generate approximately $1.2 billion in revenue over the next 30 years, of which approximately $430 million would be new revenue; and

WHEREAS, The Planning Department determined that the proposed legislation is not a project under the California Environmental Quality Act, as a "government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." (CEQA Guidelines Section 15378(b)(4)); now, therefore, be it

RESOLVED, That the SFMTA Board of Directors recommends that the San Francisco Board of Supervisors approve the legislation establishing the Transportation Sustainability Fee.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 1, 2015.

R. Boomer

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SFMTA Board Hearing: September 1, 2015
Item 12: Recommending that the Board of Supervisors approve legislation establishing the Transportation Sustainability Fee.

Kathy DeLuca (Walk SF):

- Strong support.
- Fees are not high enough.
- 150 AMI threshold for Middle-Income Housing exemption is too high.
- Grandfathering applies to too many projects and rates are too low.
- Should charge for accessory parking.

Howard Strassner:

- Fee should be higher.
- Should charge for accessory parking.

Tyler Frisbee (San Francisco Bicycle Coalition):

- Strong support.
- Fee should be higher.
- Should charge for accessory parking.

Tim Colen (SF Housing Action Coalition):

- Supportive.
- Fees cannot go higher.
- Fees should be spent to provide improvements local to development projects.

SFMTA Board Hearing: September 1, 2015
Item 12: Recommending that the Board of Supervisors approve legislation establishing the Transportation Sustainability Fee.

Summary of Board Member & Public Comments

Board Member comments:

Cheryl Brinkman:
- Explain the accessory parking issue and why it is not considered part of Gross Floor Area when assessed impact fees.
- How often does TSF get updated?
- Supportive; Fee could be higher.

Cristina Rubke:
- Are we legally/technically unable to charge accessory parking?

Gwyneth Borden:
- LOS reform is exciting.
- Hospitals which have completed their seismic requirements should pay the fee once completed.
- Can developers do in-kind contributions with TSF?
- Consider charging more TSF for projects that build above certain parking thresholds.
- Consider reducing/waiving the fee for universities not expanding their total student population – universities building student housing is good for the transportation system.

Joel Ramos:
- Recognize that this program is part of a broader set of solutions.
- Consider establishing transit benefit assessment districts.
- Want to encourage affordable housing.

Public Comment:

Members of the public expressing support: Cathy DeLuca, Howard Strassner, Tyler Frisbee, Tim Colen.

Members of the public expressing opposition: Herbert Weiner

Members of the public expressing neither support nor opposition: Edward Mason

Edward Mason:
- There should be no exemptions from the fee, including single-family home.
- Why is this program so late?
- Will VMT take into account TNCs?
- Should have mitigations at the point of origin.
- Need regional bus service.

SFMTA Board Hearing: September 1, 2015
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BOARD of SUPERVISORS

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July 29, 2015

File No. 150790

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On July 28, 2015, Mayor Lee introduced the following legislation:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use & Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

Statutory Exemption under CEQA Section 15273 Rates, Tolls, Fares, and Charges - the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares and other charges..

Joy Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning, ou=Environmental Planning, email=joy.navarrete@sfgov.org, c=US
Date: 2015.08.13 08:37:42 -07'00'

BOARD of SUPERVISORS

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Environmental Review Officer
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By: Andrea Ausberry, Assistant Clerk
Land Use & Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

* Not defined as a project under CEQA Guidelines Section 15378(b)(4) - "the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment."

Wade Wietgefe, Senior Planner

San Francisco Transportation Sustainability Fee (TSF) Nexus Study

Final Report

Prepared For:

San Francisco Municipal Transportation Agency

Prepared By:

Robert D. Spencer, Urban Economics

May 2015

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EXECUTIVE SUMMARY

In the City and County of San Francisco (the City) the only current citywide transportation impact fee is the Transit Impact Development Fee (TIDF). The fee is currently imposed on most nonresidential development in San Francisco and not on residential development. The TIDF funds costs associated with increased transit service provided by the San Francisco Municipal Transportation Agency (SFMTA) to accommodate development impacts, including capital facilities, fleet expansion, and capital maintenance.

The only other current City transportation impact fees are separate fees imposed in specific plan areas (e.g. Eastern Neighborhoods infrastructure impact fee). These fees apply to both residential and most non-residential development within plan areas. Nonresidential development projects currently pay these area plan fees in addition to the TIDF.

This report presents the technical analysis ("nexus study") necessary for the City to update the TIDF and support adoption of the proposed Transportation Sustainability Fee (TSF) that would replace the TIDF. The TSF would replace and expand the TIDF's applicability to include residential development projects. The use of TSF revenues would expand to include bicycle facilities and pedestrian and other streetscape infrastructure in addition to existing uses of the TIDF for public transit.

By adopting and implementing the TSF the City would achieve the following three objectives:

1. Replace the existing TIDF and expand its application to residential development and certain major institutions.
2. Expand the use of this citywide transportation impact fee to include bicycle facilities and pedestrian and other streetscape infrastructure to address transportation impacts from new development.
3. Establish a maximum justified transportation impact fee for all development whether or not subject to an area plan transportation fee in addition to the citywide TSF.

Growth Projections

Current projections indicate that over the next 30 years the number of housing units in the City will increase by 27 percent and employment by 35

percent.[1] Increased population and employment citywide from new development will generate increased auto and transit trips as well as increased bicycle and pedestrian activity.

The City's transportation system is already highly congested under current conditions, as a result of both limited roadway capacity for vehicles and limited transit vehicle capacity for transit passengers. 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 activity will also increase in congested areas. Increased travel from new development will directly affect the performance of the City's transportation system.

Table E.1 provides a summary of the growth projections used in the nexus study. "Non-TSF Development" primarily refers to major projects not subject to the TSF because of separate development or other contractual agreements or whose impacts are regulated by other agencies. "TSF Development" is an estimate of development that would be subject to the TSF.

Table E.1: Growth Projections (2010-2040)

	Non-TSF Develop-ment[1]	TSF Develop-ment	Total
Residential	***Housing Units***		
Housing Units	47,000	54,400	101,400
Percent	*46%*	*54%*	*100%*
Nonresidential	***Employment (Jobs)***		
Nonresidential (excluding PDR)	27,700	159,600	187,300
Production, Distribution, Repair (PDR)	(700)	10,300	9,600
Total	27,000	169,900	196,900
Percent	*14%*	*86%*	100%

Note: Growth projections for 2010 and 2040 households (occupied housing units) and total employment (jobs) are within one percent of citywide totals estimated by the Association of Bay Area Governments (ABAG). See Tables A.1 and A.2 in Appendix A for details.

[1] Includes major projects not subject to the TSF because of separate development or other contractual agreements or whose impacts are regulated by other agencies, plus an estimate of constructed, entitled, or approved projects from 2010 through 2014 that would be too far along in the development process to have a new fee applied to them.
Sources: Table 2.4.

[1] See Table 2.1 in Chapter 2.

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. The policy thus benefits all travel modes: when commuters choose to travel by transit, bicycle, or walking they benefit from improvements to these facilities; when they choose to drive, they benefit from the reduction in automobile congestion that would exist without these improvements.

The TSF would address the impacts of development on the transportation system while supporting implementation of the *Transit First* policy. The TSF would accomplish these objectives by funding increased transit capacity to relieve transit congestion and by expanding bicycle and pedestrian facilities. The TSF would have three components: (1) transit capital maintenance, (2) transit capital facilities (including fleet expansion), and (3) complete streets (bicycle, pedestrian, and other streetscape infrastructure). These three components are described in the following sections.

SFMTA Transit Capital Maintenance Component

The transit capital maintenance component of the TSF is based on the same methodology used to calculate the maximum justified rates for the current TIDF. If adopted the TSF would replace the TIDF with revenues continuing to support SFMTA service expansion. 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 in particular 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 is based on improving transit vehicle maintenance to increases the availability of vehicles that provide 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.

- **Proportional cost:** The TSF varies in direct proportion to the amount of trip generation of each development project.

Transit Capital Facilities Component

The transit capital facilities component of the TSF is based on a list of currently planned capital projects and programs needed to accommodate increased transit demand from new development. Examples include transit fleet expansion, improvements to increase SFMTA transit speed and reliability, and improvements to regional transit operators such as BART and Caltrain. The relationship between development and the transit capital facilities component of the TSF is summarized below:

- **Need for expanded transit capital facilities:** The impact of development on the need for expanded transit facilities is caused by increased transit and auto trips. The fair share cost of planned transit facilities is allocated to TSF development based on trip generation from TSF development as a percent of total trip generation served by the planned facility (including existing development and development not subject to the TSF).

  For example, if a bus rapid transit project will improve service for both existing and new development then the cost allocated to the fee is the share of total trips in 2040 associated with TSF development. Alternately, if a fleet expansion project only serves growth then the cost allocated is the TSF development share of trips from growth only (TSF plus non-TSF development).

- **Use of TSF transit capital facilities component revenue:** The benefit to development from the use of fee revenues is based on funding new or expanded transit capital facilities to support increased transit services including improved vehicle availability.

- **Proportional cost:** The TSF varies in direct proportion to the amount of trip generation of each development project.

Complete Streets Component

The complete streets component of the TSF would fund the enhancement and expansion of bicycle facilities as well as pedestrian and other streetscape infrastructure to accommodate growth. This component of the TSF is equivalent to maintaining the existing amount of sidewalk space per pedestrian in San Francisco. The relationship between development and the complete streets component of the TSF is summarized below:

- **Need for pedestrian infrastructure:** The impact of development on the need for enhanced and expanded pedestrian and other streetscape infrastructure is based on achieving the pedestrian level of service (pedestrian LOS) recommended in the *San Francisco Citywide Nexus Analysis* completed in March 2014.[2] The pedestrian LOS is based on sidewalk space per capita. As growth occurs more investment is needed in pedestrian and other streetscape infrastructure to offset the congestion caused by more pedestrian trips.
- **Use of TSF complete streets revenue:** The benefit to development from the use of fee revenues is based on enhancing and expanding pedestrian and other streetscape infrastructure. Revenues may also be used for bicycle capital facilities.
- **Proportional cost:** The TSF varies in direct proportion to the amount of service population of each development project.

TSF Summary

Table E.2 provides a summary of the maximum justified TSF for each fee component describe above. The two transit components are summed because they apply to the same type of facility and to enable comparison with area plan transportation fees. Area plan fees have one fee component for transit and a separate one for complete streets (bicycle facilities and pedestrian and other streetscape infrastructure) based on legislation currently before the Board of Supervisors. The transit fee levels in Table E.2 are the maximum justified amounts that the City may charge new development for impacts on transit facilities and services, and likewise for complete streets. The City may choose to impose any amount up to the maximum justified amount for either or both of the two components.

[2] San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014.

Table E.2: Maximum Justified TSF per Building Square Foot (2015 dollars)

	Transit[1]	Complete Streets[2]	Total
Residential	$22.59	$8.34	$30.93
Nonresidential (excluding PDR)	$80.68	$6.74	$87.42
Production, Distribution, Repair (PDR)	$22.59	$3.48	$26.07

[1] Includes transit capital maintenance and transit capital facilities.

[2] Includes bicycle facilities plus pedestrian and other streetscape infrastructure.

Source: Table 6.1.

TSF Implementation

The TSF is part of a larger effort, the proposed Transit Sustainability Program (TSP). In addition to the TSF, the TSP includes (1) a transportation demand management (TDM) program for new development projects, and (2) revision to the City's significance standard and threshold regarding evaluation of transportation impacts under the California Environmental Quality Act (CEQA) consistent with the new requirements of State Senate Bill 743.

The TSF nexus study and the expenditure of TSF revenues are designed to avoid any overlap with other TSP requirements or in any way double charge development projects for the same impact. Based on the current proposal, the TDM component of the TSP is focused on reducing vehicle miles travelled from new development whereas the TSF is focused on accommodating increased transit, bicycle, and pedestrian trips from new development. The TDM component would include a wide range of measures to encourage travel by transit, bicycle, and pedestrian modes and thus increase the need for the expanded facilities and services funded by the TSF.

Transportation fees within plan areas, e.g. Eastern Neighborhoods, may overlap with the TSF depending on the types of impacts addressed by the particular plan area fee and the types of facilities and services funded. Unless additional analysis is conducted to distinguish the TSF from a particular plan area fee, the TSF nexus study provides the maximum justified amount that may be imposed on development subject to both the TSF and a plan area fee for the same type of facility (transit or complete streets).

1. INTRODUCTION

This chapter provides a background and overview, presents the purpose of the report, and defines several key concepts and methods.[3]

Background

In the City and County of San Francisco (the City) the only current citywide transportation impact fee is the Transit Impact Development Fee (TIDF).[4] The City first adopted the TIDF in 1981 and imposed it only on downtown office development only to fund increased transit services required to serve that development. In 2004 the City substantially revised and expanded the TIDF to apply to most nonresidential development citywide. The TIDF funds costs associated with increased transit service (including capital facilities, fleet expansion, and capital maintenance costs) incurred by the San Francisco Municipal Transportation Agency (SFMTA) to accommodate development impacts.

The only other transportation impact fees currently being imposed by the City are separate fees imposed in specific plan areas (e.g. Eastern Neighborhoods infrastructure impact fee) that apply generally to most development within plan areas, including residential and nonresidential development. For nonresidential development projects these fees are imposed in addition to the TIDF.

As further explained in Chapter 2, roughly one-quarter of the City's projected development over this 30-year planning horizon will be exempt from the existing TIDF or the proposed TSF. In most cases, this development is subject to an adopted development agreement that requires implementation of a substantial array of transportation mitigation measures and other requirements identified during the environmental review and planning entitlement process for each project. For example, the City has entered into development agreements establishing transportation mitigation and improvement requirements with the Candlestick Point – Hunters Point Shipyard Phase II and the Treasure Island – Yerba Buena Island development projects.

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[3] This report has been prepared at the direction of the San Francisco City Attorney's Office and the San Francisco Municipal Transportation Agency (SFMTA) in close coordination with the San Francisco County Transportation Authority (SFCTA) and the San Francisco Planning Department.

[4] *San Francisco Planning Code*, Section 411.

At this time, based on current law, the remaining three-quarters of the City's projected development will be subject to either (1) the citywide TIDF on nonresidential development outside plan areas, (2) one of several transportation development impact fees within adopted plan areas[5] plus the TIDF, or (3) no transportation impact fee in the case of residential development outside plan areas (because the TIDF is only imposed on nonresidential development).

Purpose of Report

This report presents the technical analysis ("nexus study") needed to support the City's adoption of a citywide development impact fee for the following transportation services and facilities:

- Transit capital maintenance
- Transit capital facilities
- Complete streets (bicycle facilities plus pedestrian and other streetscape infrastructure).

The nexus study draws substantially from prior efforts. The nexus for the transit capital maintenance component is based on the current TIDF nexus analysis last adopted in 2012.[6] The nexus for the complete streets component is based on the *San Francisco Citywide Nexus Analysis* prepared by the San Francisco Planning Department in March 2014. The transit capital facilities component is a new nexus analysis that relies substantially on recent capital planning studies completed by SFMTA.

By adopting and implementing the Transportation Sustainability Fee (TSF) the City would be able to achieve the following three objectives:

1. Replace the existing TIDF with an impact fee that extends to residential development and certain major institutions.
2. Expand the use of this citywide transportation impact fee to cover bicycle facilities plus pedestrian and other streetscape infrastructure, in addition to impacts on transit service.
3. Establish a maximum justified transportation fee for all development whether or not subject to an area plan transportation fee in addition to the citywide TSF.

[5] Adopted Area Plans are part of the San Francisco General Plan. Several of these Area Plans resulted in the creation of new development impact fees.

[6] Cambridge Systematics (with Urban Economics), *San Francisco Transit Impact Development Fee Update*, February 2011 (adopted in 2012).

The TSF would be part of a larger effort, the Transportation Sustainability Program (TSP). In addition to the TSF, the TSP would include, if adopted, (1) a transportation demand management (TDM) program for new development projects, and (2) revision to the City's policies regarding evaluation of transportation impacts under the California Environmental Quality Act (CEQA).

This report describes the nexus analysis and documents the findings required by the Mitigation Fee Act (the Act)[7] for the City's adoption of the TSF. The purpose of the TSF would be to fund transportation system improvements that accommodate citywide development impacts caused by increased demand for auto, transit, bike, and pedestrian travel generated by new development.

The key findings required by the Act and documented by this report include:

- **Impact of development:** Reasonable relationship between new development and the need for expanded citywide transportation services.
- **Use of fee revenue:** Reasonable relationship between new development and the benefits received from additional citywide transportation services provided by expanded transit capital maintenance, fleet and facilities, plus complete streets infrastructure to be funded with fee revenues.
- **Proportional cost:** Reasonable relationship between the impact of a development project and the total cost (maximum justified fee) attributed to the project.

Together these three key findings define the "nexus" between a development project, the fee paid, and the benefits received. The nexus study also documents the use of fee revenues as required by the Act by describing the types and estimated costs of expenditures to be funded by the fee.

Citywide Approach To Nexus

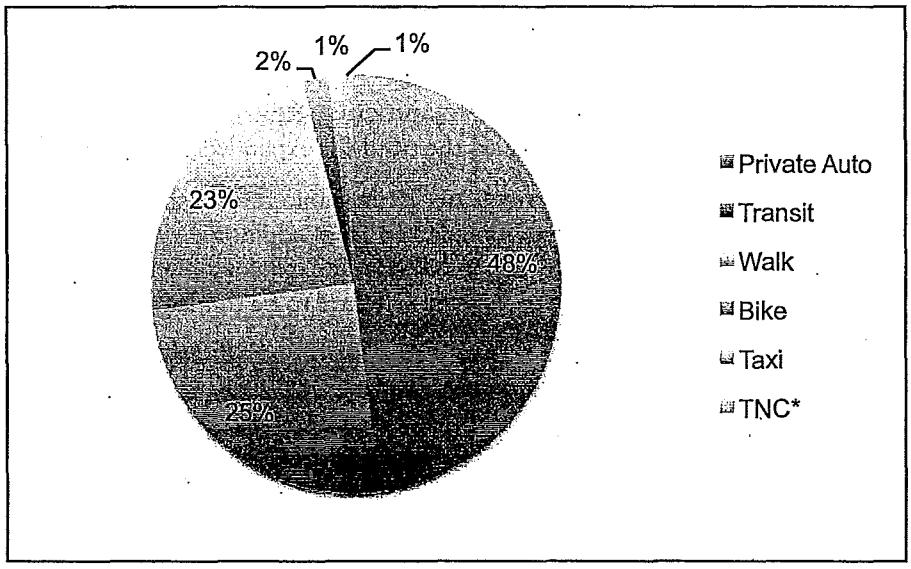
This section explains the citywide approach to the nexus for the TSF including the responsibilities of SFMTA and the San Francisco County Transportation Authority (SFCTA) for managing the citywide transportation system, and the role of the proposed TSF in addressing the impact of development on the system.

[7] The Mitigation Fee Act is contained in Section 66000 and subsequent sections of the California Government Code.

Citywide Transportation System

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.[8] The current share by mode is shown in **Figure 1.1.** Mode is the type of transportation used to complete a trip such as private auto, transit, walking, or bicycling.

Figure 1-1: San Francisco Travel Mode Share (2014)



[1] Transportation network companies such as Lyft, Uber, etc.

Source: Corey, Canapary & Galanis, memorandum to SFMTA regarding comparison between 2012, 2013, and 2014 SFMTA modeshare studies, Dec. 12, 2014.

The SFMTA is responsible for all modes of surface transportation within the City including public transit, bicycling, pedestrian planning, accessibility, parking and traffic management, and taxi regulation. The transportation system is the citywide network of public facilities[9] that support transportation services for all modes of travel (auto, transit, bicycle, and pedestrian). The

[8] The data cited refers to "trips", not "trip ends", as explained in the *Trip Generation* section of Chapter 2.

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

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 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 73 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 SFCTA serves as the county congestion management agency for San Francisco, providing funding and coordinating planning efforts with State and regional transportation agencies. The congestion management agency role includes strengthening local land use policies with respect to transportation impacts and mitigations.

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 (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").
- San Francisco Bay Area Water Emergency Transportation Authority ("WETA" or "San Francisco Bay Ferry" serving Alameda, Marin, and San Mateo counties)

Addressing Development Impacts on the Citywide Transportation System

Current projections indicate that over the next 30 years, the number of housing units in the City will increase by 27 percent and employment will increase by 35 percent.[10] Increased population and employment citywide from new development will generate increased auto and transit trips as well increased bicycle and pedestrian travel.

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 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.[11]

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.[12] These investments include increased transit capacity to relieve crowding on key lines as well as complete streets and bicycle facilities to support increased walk and bike trips. Increased bicycling has the effect of reducing both auto congestion and transit overcrowding. The 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 these modes associated with these improvements.

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[10] See Table 2.1 in Chapter 2.

[11] San Francisco County Transportation Authority, *San Francisco Transportation Plan 2040*, December 2013, pp. 13-17.

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

The City employs various land use regulatory tools to reduce development impacts on its transportation system. These tools include (1) design standards adopted by ordinance requiring on site and adjacent transportation improvements, (2) the environmental review process resulting in mitigations for transportation impacts, (3) agreements with developers to implement transportation improvements or form transportation management associations as a condition of project approval, and (4) development impact fee programs that identify and fund plan area or citywide transportation improvements. As mentioned under the *Purpose of Report* section, the TSF would update the City's citywide transportation development impact fee program by including residential development, expanding the use of funds to include bicycle and pedestrian modes, and providing a maximum justified amount for all development projects whether or not subject to a separate area plan fee.

Citywide Impacts and Use of Fee Revenues

The TSF is intended to address the citywide impact on the City's transportation system of development subject to the fee. Every development project has citywide impacts because most trips extend across significant portions of the City's transportation network.[13] Furthermore, all new development projects benefit from the expenditure of TSF revenues citywide for the same reason that the SFMTA and SFCTA must plan for transportation improvements from a citywide perspective: the interconnectedness of the transportation network. Finally, most transit trips link to pedestrian trips so the need for complete streets improvements is linked to transit activity.

For example, just as most trips extend across the network, a major transportation improvement such as an upgraded transit line or separated bicycle lane benefits a wide variety of travelers due to transfers within the Muni system and the myriad origins and destinations. Furthermore, these improvements must address potential impacts to the system that extend across the network, for example the effect of a transit line upgrade on service to lines connecting to different parts of the City.

Report Organization

The nexus study is organized as follows:

[13] San Francisco County Transportation Authority, *San Francisco Transportation Plan 2040*, December 2013, pp. 11-19.

- Chapter 2 explains how transportation impacts from new development are measured.
- Chapter 3 provides the nexus analysis for the transit capital maintenance component of the TSF.
- Chapter 4 provides the nexus analysis for the transit capital facilities component of the TSF.
- Chapter 5 provides the nexus analysis for the complete streets component of the TSF.
- Chapter 6 summarizes the maximum justified TSF and explains its relationship to area plan fees and the Transportation Sustainability Program (TSP).
- Appendices provide additional tables to support the quantitative information provided in individual chapters.

2. GROWTH IN DEMAND FOR TRANSPORTATION SERVICES

This chapter describes existing conditions, development projections, and other assumptions used to estimate demand on the City's transportation system.

2010 Development Estimates and 2040 Projections

The TSF nexus study is based on citywide development estimates for 2010 and a consistent set of development projections for 2040. These 30-year projections are based on the most recent estimates available when the nexus study was produced. Projections were prepared by the Association of Bay Area Governments (ABAG) for the nine-county San Francisco Bay region in association with the Metropolitan Transportation Commission (MTC). These ABAG/MTC development projections, known as the "Jobs Housing Connections" scenario, were approved in 2013 and are used for the most recent regional land use and transportation plan (*Plan Bay Area*).

The ABAG/MTC development projections anticipate that the City will continue to attract growth and investment as a primary employment center for the region. The number of housing units is projected to grow by 27 percent while employment is projected to grow by 35 percent. Employment growth will be supported by both increased commuting from outside the City and the addition of over 100,000 housing units in the City. Both employment and housing growth will depend on increased commuting into and out of the City supported by increased transit services.

The San Francisco Planning Department prepared estimates of existing and projected development for use in the TSF nexus study based on the ABAG/MTC projections for San Francisco. The Planning Department routinely prepares land use forecasts to aid in policy deliberation and decision-making on the City's land use future, as well as to form the basis for testing transportation impacts of new policies, projects, and plans.

The Planning Department maintains a land use allocation tool to provide land use inputs to SF-CHAMP. SF-CHAMP is the travel model operated by the San Francisco County Transportation Authority (SFCTA) to generate detailed forecasts of travel demand for transportation planning and policy purposes, including developing countywide and neighborhood transportation plans and providing input to micro-simulation modeling for corridor and project-level evaluations. The primary purpose of the land use tool is to allocate ABAG's citywide forecasts to housing and employment categories for each of the travel demand model's structure of 981 traffic analysis zones

(TAZs).[14] The Planning Department's land use allocation tool constrains the sum of its projections by TAZ within plus or minus one percent of the ABAG/MTC citywide totals for population, households, and employment.

The Planning Department land use allocation tool converts the ABAG/MTC employment by industry sector to the land use categories used by the Planning Department and SF-CHAMP. The Planning Department's economic activity categories are:

- Residential
- Management, Information, and Professional Services
- Retail/Entertainment
- Production, Distribution, Repair
- Cultural/Institution/Education
- Medical and Health Services
- Visitor Services.

Table 2.1 summarizes the 2010 to 2040 growth estimates for San Francisco used as a basis for the nexus study. See **Tables A.1 and A.2** in Appendix A for a comparison of these projections to *Plan Bay Area* estimates.

TSF and Non-TSF Development

Only a portion of the growth summarized in Table 2.1 would be subject to the TSF. Components of non-TSF development included in the growth projections are described below:

- Major private development projects that have already received primary entitlements from the City and/or entered into development or other contractual agreements with the City.[15] These entitlements and agreements contractually define developers' commitments to transportation infrastructure improvements to mitigate transportation impacts. These projects would not be subject to the TSF but nonetheless fund substantial improvements to the City's transportation system to mitigate project impacts.

[14] TAZs are small geographic areas (e.g., city blocks) used by SF-CHAMP to aggregate trips within the geographic area for analysis by the model.

[15] State and local laws provide the City with authority to enter into development agreements (or disposition and development agreements, in the case of a Redevelopment Plan) with private parties, to establish the terms for exactions including impact fees in connection with the development of the particular project. Unless authorized by the terms of the development agreement, the City may not ordinarily impose additional fees on future development with areas covered by these agreements.

Table 2.1: San Francisco Growth 2010-2040

	2010	2040	2010 – 2040 Growth	
			Amount	Percent
Housing				
Housing Units	376,200	477,400	101,200	27%
Households	345,900	447,000	101,100	29%
Vacancy Rate	8.1%	6.4%		
Employment (Jobs)				
Management, Information and Professional Services	295,100	414,800	119,700	41%
Retail/Entertainment	97,700	123,200	25,500	26%
Production, Distribution, Repair	59,900	69,500	9,600	16%
Cultural/Institution/Education	59,800	80,400	20,600	34%
Medical and Health Services	36,500	52,200	15,700	43%
Visitor Services	21,000	26,800	5,800	28%
Total Employment	570,000	766,900	196,900	35%
Jobs per Household	1.65	1.72		

Sources: Tables A.1 and A.2.

- Local, state and federal public development projects that are regulated by the respective public agency and not subject to the TSF.
- Pipeline development that includes both nonresidential and residential projects constructed from 2010 through 2014 because the TSF would not be adopted until 2015 and could not apply to prior development. Pipeline development also includes residential projects that have already received their first construction document and therefore would not be subject to a new fee program adopted in 2015. At the time of adoption of the TSF these projects would be too far along in the development process with permit conditions that would not provide for imposition of the TSF. Entitled or approved non-residential projects as of 2015 are excluded from pipeline development (and included in TSF development) because these projects would be subject to the TSF as an update to and replacement of the TIDF.

Major private and public development projects included in non-TSF development and not subject to the TSF are listed in **Table 2.2** (the first two of the three categories described above).

All other development would be subject to the TSF, including certain major projects plus development within areas of the City that have an adopted area plan. Major projects and area plans included as part of TSF development are shown in **Table 2.3.** The relationship between existing area plan transportation fees and the TSF is discussed in Chapter 6.

Table 2.2: Major Private and Public Development Projects Included in Non-TSF Development

Project	Why TSF Is Not Applicable
California Pacific Medical Center (CPMC)	Development agreement provides for transportation improvements and financial contributions to address impacts and prevents application of TSF to project.
Candlestick Point – Hunters Point Shipyard Phases I and II	Redevelopment plan provides for transportation improvements to address impacts and prevents application of TSF to project.
Parkmerced and Treasure Island – Yerba Buena Island (residential only)	Disposition and development agreement requires payment of TIDF but project not subject to new impact fees. Nonresidential development would pay TSF as update to the current TIDF. Residential development would not pay the TSF because the current TIDF does not apply to residential development.
Presidio	Development regulated by a federal agency (Presidio Trust).
San Francisco State University	Developer is a state agency exempt from the current TIDF and has a separate mitigation agreement for transportation impacts.
Transbay Redevelopment Project Area (Zone 1)	Exempt from the current TIDF based on S.F. Planning Code.
University of California – San Francisco Master Plan	Developer is a state agency exempt from the current TIDF.
Source: San Francisco Planning Department.	

Table 2.3: Major Projects and Plans Included in TSF Development

Project	Why TSF Is Applicable
Mission Bay	Redevelopment plans included a 10-year moratorium on application of new impact fees and exactions in the project area that expired in 2011 (so the TSF would apply).
Parkmerced and Treasure Island – Yerba Buena Island (residential only)	Disposition and development agreement requires payment of TIDF but project not subject to new impact fees. Nonresidential development would pay TSF as update to the current TIDF. Residential development would not pay the TSF because the current TIDF does not apply to residential development.
Other major development projects currently under review (e.g. Mission Rock, Warriors, Pier 70)	No development agreements have been approved for these projects at the time of the nexus study. Future updates to the TSF would address the impact of any approved agreements that exempt these projects.
Development within area plans, including: • Balboa Park • Eastern Neighborhoods • Market & Octavia • Rincon Hill • Transit Center Development Plan (TCDP) • Van Ness & Market Downtown Residential Special Use District • Visitacion Valley[1]	Area plan transit and complete streets fees generally do not address citywide impacts of development that would be addressed by the TSF. See Chapter 6 for more detail regarding relation of area plan fees to the TSF. Note: Transbay Redevelopment Project Area (Zone 1) parcels within the TCDP would not be subject to the TSF (see Table 2.2).

[1] The Schlage Lock development project in Visitacion Valley recently entered into a development agreement with the City that commits the project to pay the TSF if adopted.

Source: San Francisco Planning Department.

Development projections for 2010 to 2040 allocated to TSF and non-TSF development are shown in **Table 2.4**.

Table 2.4: TSF and Non-TSF Development (2010-2040)
Housing Units and Employment

Economic Activity Category	Total	Non-TSF Development			TSF Development
		Major Projects[1]	Pipeline Development[2]	Subtotal	
Formula	*a*	*b*	*c*	*d = b + c*	*e = a - d*
Residential	***Housing Units***				
Housing Units	101,400	29,900	17,100	47,000	54,400
Percent	*100%*	*29%*	*17%*	*46%*	*54%*
Nonresidential	***Employment (Jobs)***				
Management, Information & Professional Services	119,700	14,200	-	14,200	105,500
Retail/Entertainment	25,500	2,100	1,000	3,100	22,400
Cultural/Institution/ Education	20,600	2,600	1,400	4,000	16,600
Medical & Health Services	15,700	6,600	(100)	6,500	9,200
Visitor Services	5,800	300	(400)	(100)	5,900
Nonresidential (ex. PDR)	187,300	25,800	1,900	27,700	159,600
Production, Distribution, Repair (PDR)	9,600	400	(1,100)	(700)	10,300
Total Nonresidential	196,900	26,200	800	27,000	169,900
Percent	*100%*	*13%*	*<1%*	*14%*	*86%*

[1] Major projects represent development that would not be subject to the TSF because of separate development or other contractual agreements to mitigate transportation impacts or whose impacts are regulated by other agencies. See Table 2.2.

[2] Pipeline development is in addition to major projects and represents an estimate of all projects constructed from 2010 through 2014, plus residential projects that have already received their first construction document and therefore would not be subject to a new fee program adopted in 2015. Entitled or approved nonresidential projects are included in TSF development because they would pay the TSF as an update to and replacement of the TIDF after 2014.

Sources: San Francisco Planning Department, Land Use Allocation Model Output, December 2013; Table 2.1.

Measuring Transportation System Impact

The TSF uses two measures of the impact of development on the transportation system: trip generation and service population. The assumptions and methods for converting the growth projections discussed above to each of these two measures of impact are explained in the following sections.

Trip Generation

The transit capital maintenance and transit capital facilities components of the TSF use trip generation to measure development impact on the need for transit service. Trips occur between origins and destinations such as from home to work, or from work to shopping, or from shopping back to home. Trip generation is related to travel demand, or the desire for mobility by residents and workers to access homes, jobs, shopping, recreation, and other activities.[16]

The impact of development on the need for expanded transit services and facilities is caused by increases in both transit and auto trips. Increased transit trips resulting from new development require increased transit services and facilities to reduce impacts on currently overcrowded transit lines, or prevent lines from becoming overcrowded. Increased auto trips from development require increased transit services and facilities to offset increased roadway congestion that increases travel times for transit service. In sum, increased transit and auto trip generation directly increases crowding on transit vehicles.

Trip generation estimates for the purposes of this nexus study do not include pedestrian and bicycle trips. Any increase in these trips from development benefits the transit system by reducing demand for transit services and thereby reducing crowding.

To calculate total trip generation, housing and employment projections are converted to building space, and a trip generation rate applied per 1,000 square feet of building space. Trip generation rates refer to "trip ends" with each trip having two trip ends and the impact assigned equally to the land use at each end of the trip. Assumptions used to convert housing and employment projections to building space, and to convert building space to trip generation, are based on citywide averages developed by the Planning Department and commonly applied in studies of development impacts in San Francisco.

Table 2.5 converts the projections in Table 2.4 to building space for TSF and non-TSF development, the basis on which the TSF will be applied to development projects. As shown in Table 2.5 TSF development includes about 54 percent of total residential growth and 87 percent of total nonresidential growth in building space.

[16] For the purposes of the nexus study trip generation represents the movement by one person on a typical weekday from one activity to another, and are measured as person trips, not vehicle trips (an auto or transit vehicle may carry more than one person).

Table 2.5: TSF and Non-TSF Development (2010-2040)

Building Square Feet

Economic Activity Category	Sq. Ft. per Unit or per Employee	Non-TSF Development		TSF Development		Total	
		Housing Units or Employment	Building Space (1,000 sq. ft.)	Housing Units or Employment	Building Space (1,000 sq. ft.)	Housing Units or Employment	Building Space (1,000 sq. ft.)
Formula	*a*	*b*	*c = a * b*	*d*	*e = a * d*	*f = b + d*	*g = c + e*
Residential	1,156	47,000	54,300	54,400	62,900	101,400	117,200
Percent			*46%*		*54%*		*100%*
Nonresidential							
Management, Information & Professional Services	260	14,200	3,700	105,500	27,400	119,700	31,100
Retail/ Entertainment	368	3,100	1,100	22,400	8,200	25,500	9,300
Cultural/Institution/Education	350	4,000	1,400	16,600	5,800	20,600	7,200
Medical & Health Services	350	6,500	2,300	9,200	3,200	15,700	5,500
Visitor Services	787	(100)	(100)	5,900	4,600	5,800	4,500
Nonresidential (ex. PDR)	308	27,700	8,400	159,600	49,200	187,300	57,600
Production, Distribution, Repair (PDR)	597	(700)	(400)	10,300	6,100	9,600	5,700
Total Nonresidential		27,000	8,000	169,900	55,300	196,900	63,300
Percent			*13%*		*87%*		*100%*
Total			**62,300**		**118,200**		**180,500**
Percent			***35%***		***65%***		***100%***
Sources: Tables 2.4 and A.4.							

For the nexus study, the employment density factor and trip generation rate for the management, information, and professional services economic activity category is updated to represent a weighted average of assumptions used for citywide development, and assumptions recently developed for the Central SoMa area plan environmental review. The latter represents higher employment densities associated with the type of technology-based companies likely to locate in that area.

Table 2.6 converts the building space estimates in Table 2.5 to estimates of total trip generation for TSF and non-TSF development. To be consistent with existing area plan impact fee nexus studies and the recently completed

San Francisco Citywide Nexus Analysis,[17] five of the six nonresidential economic activity categories are merged into a single category "Nonresidential (excluding PDR)". The Production, Distribution, and Repair (PDR) category is maintained as a separate category. A weighted average trip generation rate for the five merged categories is calculated based on the trip generation rate for each category and the 2010-2040 growth amount by category.

Table 2.6: TSF and Non-TSF Trip Generation (2010-2040)

Economic Activity Category	Motorized Trip Generation Rate (trips per 1,000 sq. ft.)	Non-TSF Development		TSF Development		Total	
		Building Space (1,000 sq. ft.)	Trip Generation	Building Space (1,000 sq. ft.)	Trip Generation	Building Space (1,000 sq. ft.)	Trip Generation
Residential	7	54,300	380,000	62,900	440,000	117,200	820,000
Nonresidential (ex. PDR)	25	8,400	210,000	49,200	1,230,000	57,600	1,440,000
Production, Distribution, Repair (PDR)	7	(400)	(3,000)	6,100	43,000	5,700	40,000
Total Trip Generation			587,000		1,713,000		2,300,000
Sources: Tables 2.5, A.4, and A.6.							

More detail on housing unit size, employment density factors, and trip generation rates is shown in Appendix A, **Tables A.3 and A.4**. See **Tables A.5 and A.6** in that appendix for more detail on the estimates of total trip generation used in the nexus study.

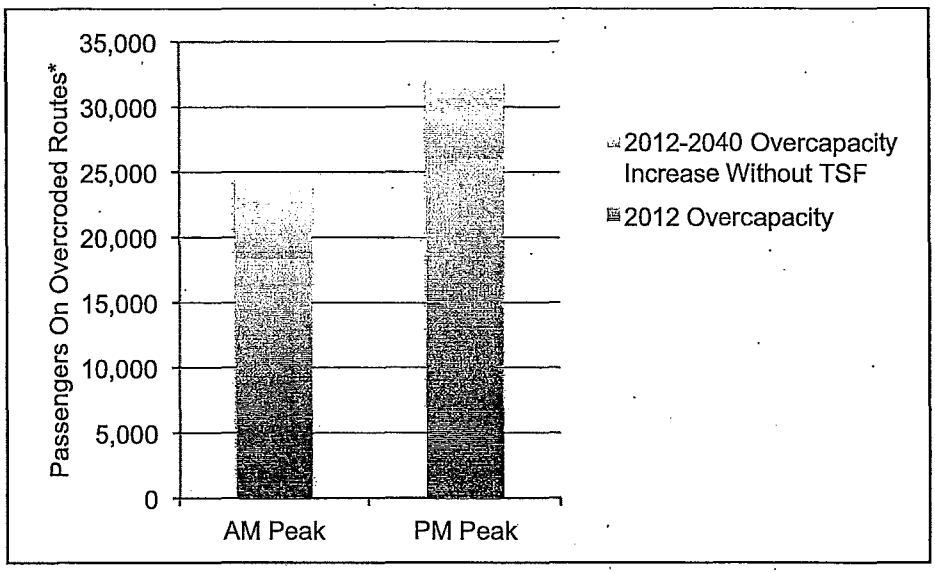
Trip generation from new development will cause the need for higher levels of transit service and increased transit facility capacity. Without the transit services and facilities to be fully or partially funded by the TSF, transit service in San Francisco is projected to become increasingly overcrowded. Increased overcrowding will diminish performance of the City's transportation system and constrain the City's ability to achieve its transportation system goals.[18] SFMTA staff conducted an analysis of overcrowding using SF-CHAMP model output for existing and 2040 conditions. The 2040 projections include transit capital projects to be completed without funding from the TSF such as the Central Subway. As shown in **Figure 2.1**, the number of passengers on

[17] San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014.

[18] San Francisco County Transportation Authority, *San Francisco Transportation Plan 2040*, December 2013, pp. 13-17.

overcrowded routes will increase from 2010 to 2040 by approximately 6,500 passengers during the morning and afternoon peak periods. When transit reaches capacity, motorists that would have taken transit are unable to shift and opt to drive, exacerbating congestion.

Figure 2-1: Transit Passengers On Overcapacity Routes Without TSF



Note: "Overcapacity" is greater than 85 percent 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.

Service Population

The complete streets component of the TSF uses service population to measure the impact of new development on the need for complete streets (improved pedestrian and other streetscape infrastructure). Service population includes both residents and those who work in the City ("employees" measured by the number of jobs). Thus a resident who works in the City is counted both as a resident and an employee to fully reflect the level of demand for complete streets infrastructure. One employee (whether or not a resident) is counted at 50 percent compared to one resident to reflect the lower level of demand for complete streets infrastructure associated with the workday compared to the morning, evening, and weekend demand of a resident. Tourists and visitors are reflected in the growth in employment in the City's business establishments that serve tourists and visitors. This service population approach to measuring the

impact of development on the need for complete streets infrastructure is typical for impact fee nexus studies and is consistent with the *San Francisco Citywide Nexus Analysis.*[19]

Assumptions used in the nexus study that convert population and employment to building space are shown in Table A.4.

[19] San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014.

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3. TRANSIT CAPITAL MAINTENANCE

The SFMTA transit capital maintenance component of the TSF is based on the same methodology used to calculate the maximum justified rates for the current TIDF. If adopted, the TSF would replace the TIDF. The relationship between development and the transit capital maintenance component of the TSF is summarized below and explained more fully in the sections that follow:

- **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).[20] As development generates new trips the SFMTA must increase the supply of transit services, and in particular 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 is based on improving SFMTA transit vehicle maintenance to increase the availability of vehicles that provide 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.
- **Proportional cost:** The TSF varies in direct proportion to the amount of trip generation of each development project.

Need For Transit Capital Maintenance

The TSF accommodates the impact of development by funding additional SFMTA transit capital maintenance to maintain the existing SFMTA transit LOS. Transit LOS is based on the existing number of revenue service hours per trip. The latest available financial data from the National Transit Database used to calculate the transit capital maintenance component is for

[20] As discussed in Chapter 2 (*Measuring Transportation System Impact* section), "trips" include 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.

2013 so the transit LOS calculation is based on 2013 estimates as well. As shown in **Table 3.1**, SFMTA delivers 1.31 revenue service hours for every 1,000 auto and transit trips.

Table 3.1: SFMTA Transit Capital Maintenance Service Standard

	Formula	**Amount**
Annual Revenue Service Hours	*a*	3,458,000
Days per Year	*b*	365
Average Daily Revenue Service Hours	*c = a / b*	9,474
2013 Average Daily Trips (ADT)[1]	*d*	7,235,000
Revenue Service Hours per 1,000 ADT	*e = c * d / 1,000*	1.31

[1] 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, RY 2013 Data Tables (http://www.ntdprogram.gov/ntdprogram/pubs/dt/2013/excel/DataTables.htm); Table A.5.

The net cost per revenue service hour is shown in **Table 3.2.** 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. Unlike the TIDF nexus analysis, 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 chapter).

Use of Fee Revenues

Based on the nexus approach, SFMTA may use fee revenues from the TSF transit capital maintenance component for any operating cost that directly support increased transit service. 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 overlap with the transit capital facilities component of the TSF, nor costs in the two categories excluded from the level of service calculation in Table 3.2 (non-vehicle maintenance costs and general administration).

Table 3.2: Net Annual Cost per Revenue Service Hour

	Formula	Amount	
Total Operating Costs	*a*		$ 668,000,000
Excluded Operating Costs			
Non-Vehicle Maintenance	*b*	$ (66,000,000)	
General Administration	*c*	(111,000,000)	
Farebox Revenue	*d*	(220,100,000)	
Subtotal	*e = b + c + d*		(397,100,000)
Net Annual Costs	*f = a + e*		$ 270,900,000
Average Daily Revenue Service Hours	*g*		9,474
Net Annual Cost per Daily Revenue Service Hour	*h = f / g*		$28,594

Sources: U.S. Department of Transportation, Federal Transit Administration, National Transit Database, RY 2013 Data Tables (http://www.ntdprogram.gov/ntdprogram/pubs/dt/2013/excel/DataTables.htm); Table 3.1.

Maximum Justified Fee

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 3.3**, with supporting calculations shown in **Tables B.1 and B.2** in Appendix B.

Table 3.3: Transit Capital Maintenance Cost Per Trip

	Formula	**Amount**
Net Annual Cost per Revenue Service Hour	*a*	$28,594
Revenue Service Hours per 1,000 Average Daily Trips	*b*	1.3100
Net Annual Cost per Average Daily Trip[1]	*c = a * b / 1,000*	$ 37.46
Net Present Value Factor	*d*	58.78
Total Cost per Trip	*e = c * d*	$ 2,202

[1] Auto and transit trips only. Excludes bicycle and pedestrian trips.

[2] 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.

Sources: Tables 3.1, 3.2, and B.2.

The maximum justified transit capital maintenance component of the TSF is based on the cost per trip shown in Table 3.3 multiplied by the trip generation rates for each economic activity category. The maximum justified fee is shown in **Table 3.4**. 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.

Table 3.4: SFMTA Transit Capital Maintenance Component Maximum Justified Fee (2015 dollars)

Economic Activity Category	**Cost per Trip**	**Trip Generation Rate** (per 1,000 sq. ft.)	**Maximum Justified Transit Capital Maintenance Fee** (per sq. ft.)
Formula	*a*	*b*	*c = a * b / 1,000*
Residential	$2,202	7	$15.41
Nonresidential (excluding PDR)	$2,202	25	$55.05
Production, Distribution, Repair (PDR)	$2,202	7	$15.41

Sources: Tables 3.3 and A.4.

4. TRANSIT CAPITAL FACILITIES

The transit capital facilities component of the TSF is based on a list of currently planned capital projects and programs needed to accommodate increased transit demand from development.[21] The relationship between development and the transit capital facilities component of the TSF is summarized below and explained more fully in the sections that follow:

- **Need for expanded transit capital facilities:** The impact of development on the need for expanded transit facilities is caused by increased transit and auto trips as discussed in Chapter 2 in the *Trip Generation* section. The fair share cost of planned transit facilities allocated to TSF development to accommodate this demand is based on trip generation from TSF development as a percent of total trip generation served by the planned facility (including existing development and non-TSF development, depending on the specific facility).[22]
- **Use of TSF transit capital facilities component revenue:** The benefit to development from the use of fee revenues is based on funding new or expanded transit capital facilities to support increased transit services including improved vehicle availability.
- **Proportional cost:** The TSF varies in direct proportion to the amount of trip generation of each development project.

Need For Transit Capital Facilities

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 plans. Only projects and programs that are not fully funded with programmed funding are included in the TSF list of transit capital facilities. The total cost of each project or program is allocated to TSF development based on one of the following two fair share cost allocation methods:

Method 1: If the project or program includes replacement and expansion of an existing transit facility then the total cost is allocated to trips

[21] Bicycle facilities are included in the transit capital facilities component nexus because bicycle infrastructure improvements shift demand away from transit thereby relieving transit overcrowding. However, TSF spending on bicycle infrastructure will occur solely from the complete streets component of the TSF. See text later in this chapter for more explanation.

[22] See Chapter 2 for definitions of TSF and non-TSF development.

generated by existing and new (2010-2040) development because all development is associated with the need for the project or program. Existing development is based on 2010 land use and new development includes both non-TSF and TSF development.

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, both non-TSF and TSF development, because only new development is associated with the need for the project or program.

As shown in **Table 4.1**, method 1 results in an allocation of 18 percent of the total cost to TSF development. Method 2 results in an allocation of 75 percent of total cost to TSF development.

Table 4.1: Trip Generation Shares

Development	Trip Generation	Method 1 2040 Total	Method 2 2010-2040
2010 Development	7,222,000	75.8%	NA
2010-2040 Development			
Non-TSF Development	587,000	6.2%	25.5%
TSF Development	1,713,000	18.0%	74.5%
Subtotal 2010-2040	2,300,000	24.2%	100.0%
2040 Development	9,522,000	100.0%	NA
Sources: Tables 2.6 and A.6.			

The planned projects and programs used to calculate the transit capital facilities component of the TSF are shown in **Table 4.2**, with notes and sources provided in **Table 4.3**. All costs reflect 2015 dollars. The planned projects and programs are shown in three major facility categories:

- Transit service expansion and reliability improvements
- Improvements supporting regional transit operators
- Bicycle infrastructure improvements (see explanation for inclusion of bicycle improvements following the tables).

Table 4.2: Transit Capital Facilities Fair Share Cost Allocation ($ 1,000)

Expenditure Category / Project or Program	Total Cost	Allocation Method[1]	Non-TSF Cost Share			Potential TSF Cost Share
			Existing Development (2010)	Non-TSF Development (2010-2040)	Non-TSF Cost Share Subtotal	
Formula	*a*		*b = a * x*	*c = a * y*	*d = b + c*	*d = a * z*
			where x, y, z = fair share cost allocation (Table 4.1)			
SFMTA Transit Service Expansion and Reliability Improvements						
Transit Fleet Expansion	$630,500	2	NA	$160,800	$160,800	**$469,700**
Transit Facilities	449,500	1	$340,700	27,900	368,600	**80,900**
Muni Forward Rapid Network	53,700	2	NA	13,700	13,700	**40,000**
Geary Bus Rapid Transit	323,500	1	245,200	20,100	265,300	**58,200**
M-Ocean View / 19th Ave.	520,000	1	394,200	32,200	426,400	**93,600**
Subtotal	$1,977,200		$980,100	$254,700	$1,234,800	**$742,400**
Improvements Supporting Regional Transit Operators						
BART Fleet Expansion	145,200	2	NA	$37,000	$37,000	**$108,200**
BART Train Control	100,000	2	NA	25,500	25,500	**74,500**
Caltrain Electrification	1,332,100	1	1,009,700	82,600	1,092,300	**239,800**
Transbay Transit Center (Phase 2)	2,376,900	1	1,801,700	147,400	1,949,100	**427,800**
Subtotal	$3,954,200		$2,811,400	$292,500	$3,103,900	**$850,300**
Bicycle Infrastructure Improvements						
Bicycle Programs (expansion)	548,500	2	NA	$139,900	$139,900	**$408,600**
Total	$6,479,900		$3,791,500	$687,100	$4,478,600	**$2,001,300**

[1] 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 (2010-2040).

Sources: Tables C.2, C.3, C.4, C.5, C.6, 4.1, and 4.3.

Table 4.3: Transit Capital Facilities (Notes & Sources)

Project or Program	Fair Share Cost Allocation & Funding Notes	Sources
SFMTA Transit Service Expansion and Reliability Improvements		
Transit Fleet Expansion	All costs associated with additional capacity needed to serve 2010-2040 growth as identified in recent (2014) fleet and facility planning studies[1] Excludes cost of replacement vehicle capacity, Central Subway vehicles (funded), and Geary BRT vehicles (see Geary BRT project).	See Tables C.1 and C.2
Transit Facilities	Allocate costs to all 2040 development because the needs include rehabilitation and replacement of existing facilities. A more detailed analysis by facility would likely result in a higher allocation share to 2010-2040 development.	See Table C.3
Muni Forward Rapid Network	All costs associated with additional capacity needed to serve 2010-2040 growth. Total Rapid Network investment estimated at $231 mil. of which about 77 percent ($178 mil.) is funded and associated with near-term projects that address existing deficiencies and provide additional capacity. TSF funding limited to funding 23 percent of Rapid Network total cost ($53 mil. and currently unfunded) as a conservative estimate of costs associated with additional capacity needed to serve growth.	See Table C.4
Geary Bus Rapid Transit	Allocate to all 2040 development because project would replace and increase capacity of existing service. Includes vehicles.	See Table C.5
M-Ocean View / 19th Ave.	Allocate to all 2040 development because project would replace and increase capacity of existing service. Total cost represents most likely cost for "Longer Subway/Bridge" option.	San Francisco County Transportation Authority, *19th Avenue Transit Study*, March 2014, Table 4.8. p. 66.

Table 4.3: Transit Capital Facilities (Notes & Sources) (continued)

Project or Program	Fair Share Cost Allocation & Funding Notes	Sources
Improvements Supporting Regional Transit Operators		
BART Fleet Expansion	All costs associated with additional capacity needed to serve 2010-2040 growth. Total cost of 44 additional cars to accommodate additional peak hour trips, based on SF-CHAMP model run indicating 4,554 passengers that would exceed current capacity, and 105 passengers per car at 100 percent capacity. Assume $3.3 million cost per car based on latest public report though BART staff now anticipating cost of $5.5 million per car.	San Francisco Bay Area Rapid Transit District (BART), *Building A Better BART: Investing In The Future Of The Bay Area's Rapid Transit System* (draft), July 2014, p. 13; San Francisco Municipal Transportation Agency (personal communication regarding SF-CHAMP model output; transitCrowding_Peak_BART_Transbay_v2.xlsx, Nov. 21, 2014).
BART Train Control	All costs associated with additional capacity needed to serve 2010-2040 growth. The $100 mil. cost is 50 percent of the $200 mil. capacity expansion component of the Train Control Modernization Program (TCMP). The capacity expansion component is driven by growth in transbay trips serving downtown San Francisco so half of the cost is allocated to San Francisco growth (the other half is associated with development at the other end of each trip). The total replacement and upgrade project cost of the TCMP is $915 million.	BART, "Funding Priorities and Financial Outlook", BART board workshop presentation, Jan. 29-30, 2015, and "Capital Funding Priorities", presentation to San Francisco Capital Planning Committee, Feb. 9, 2015.
Caltrain Electrification	Allocate to all 2040 development because project would replace and increase capacity of existing service. Based on $1,456 mil. in year-of-expenditure dollars, discounted 9.3% to 2015 based on scheduled project completion by FY 2019-20. Excludes Advanced Signal System / Positive Train Control (funded).	San Francisco County Transportation Authority, *2014 Prop. K Strategic Plan,* Appendix D, Sep. 12, 2014;
Transbay Transit Center (Phase 2) – Downtown Extension	Allocate to all 2040 development because project would replace and increase capacity of existing service. Based on $2,598 mil. in year-of-expenditure dollars, discounted 9.3% to 2015 based on project completion by FY 2019-20 subject to funding availability.	San Francisco County Transportation Authority, *2014 Prop. K Strategic Plan,* Appendix D, Sep. 12, 2014;
Bicycle Infrastructure Improvements		
Bicycle Programs (expansion)	All costs associated with expanding service to shift trips and increase transit capacity to serve 2010-2040 growth.	See Table C.6

[1] The fair share cost allocation to TSF development is slightly conservative because fleet expansion costs are based on a 2015-2040 growth whereas the cost allocation is based on 2010-2040 growth.

Bicycle improvements are included because bicycle infrastructure improvements shift demand away from autos and transit thereby relieving auto congestion, improving transit travel times, and reducing transit overcrowding.[23] However, TSF spending on bicycle infrastructure will occur solely from the complete streets component of the TSF (see Chapter 5). This approach is consistent with the bicycle, pedestrian, and streetscape infrastructure components of the area plan fees based on current legislation pending before the Board of Supervisors.

Table 4.2 calculates the potential TSF cost share (shown in the last column of the table) by deducting the shares allocated to existing development and non-TSF development.

The potential TSF cost share shown in Table 4.2 must be adjusted to calculate the maximum justified funding that could be provided by the TSF. Maximum justified TSF funding is based on applying any currently programmed funding available after funding of the non-TSF cost share. Programmed funding is funding that has been programmed through prior legislative action and includes funding from:

- Proposition K funding from the San Francisco County Transportation Authority
- Transportation 2030 general obligation bond recently approved in San Francisco
- Metropolitan Transportation Commission transit core capacity challenge grant program for SFMTA projects that targets federal, state, and regional funds to high-priority transit capital projects
- Caltrain funding for the Caltrain electrification project
- Transbay Transit Center funding from various sources

[23] The San Francisco County Transportation Authority (SFCTA) modeled the impact of building out the Class 1 bicycle facilities to 100 miles and estimated that daily bike trips would increase by about 20,000, or about 20 percent including shifts from auto and transit modes (personal communication, Sep. 26, 2014); Dill, Jennifer and Theresa Carr (2003), "Bicycle Commuting and Facilities in Major U.S. Cities: If You Build Tem, Commuters Will Use Them – Another Look", TRB 2003 Annual Meeting CD-ROM; Nelson, Arthur and David Allen (1997), "If You Build Them, Commuters Will Use Them; Cross-Sectional Analysis of Commuters and Bicycle Facilities", Transportation Research Record 1578; San Francisco Department of Parking and Traffic, "Polk Street Lane Removal/Bike Lane Trial Evaluation", Report to San Francisco Board of Supervisors, May 16, 2001.

- Developer funding through development or other contractual agreements.

Programmed funding is first allocated to the non-TSF cost share. Any funding remaining after allocation to the non-TSF cost share is then deducted from the TSF cost share. **Table 4.4** shows the maximum justified TSF funding for the transit capital facilities component based on this approach. All funding reflects 2015 dollars. Detail regarding programmed funding is shown in Appendix **Table C.7**.

The SFMTA has access to other revenue sources to address any funding gaps for the projects and programs listed in Table 4.4, after deducting programmed funding and TSF revenue. These alternative sources ensure that the projects and programs listed in Table 4.4 are financially feasible. These alternative funding sources are listed in **Table 4.5**

Use of Fee Revenues

The SFMTA or SFCTA may use revenue from the TSF transit capital facilities component for any capital project that expands transit service in or to/from San Francisco, or directly supports the expansion of that service such as vehicle maintenance facilities. Eligible costs that may be funded include capital expenses such as project management, design, engineering, environmental review, land acquisition, equipment, and construction.

As explained previously, the transit capital facilities component of the TSF will not be used to support bicycle infrastructure improvements. Instead, spending on bicycle infrastructure will occur from the complete streets component of the TSF.

The TSF may fund projects or programs that replace and expand existing transit facilities as long as method 1 is used to allocate expansion-related costs to the TSF (across existing and new development) (see *Need for Transit Capital Facilities* section, above). The TSF may also fund projects or programs that solely support transit service expansion. In this case method 2 would be used to allocate costs to the TSF development (new development only).

Table 4.4: Transit Capital Facilities Maximum Justified TSF Funding Share ($ 1,000)

Expenditure Category / Project or Program	Total Programmed Funding	Non-TSF Cost Share	Net Programmed Funding Available For TSF Cost Share	Potential TSF Cost Share	Maximum Justified TSF Funding
Formula	*a*	*b*	*c = a - b*[1]	*d*	*e = d - c*
SFMTA Transit Service Expansion and Reliability Improvements					
Transit Fleet Expansion	$406,000	$160,800	$245,200	$469,700	$224,500
Transit Facilities	150,800	368,600	-	80,900	80,900
Muni Forward Rapid Network	2,000	13,700	-	40,000	40,000
Geary Bus Rapid Transit	46,100	265,300	-	58,200	58,200
M-Ocean View / 19th Ave.	71,800	426,400	-	93,600	93,600
Subtotal	$676,700	$1,234,800	$245,200	$742,400	$497,200
Improvements Supporting Regional Transit Operators					
BART Fleet Expansion	$-	$37,000	$-	$108,200	$108,200
BART Train Control	2,800	25,500	-	74,500	74,500
Caltrain Electrification	108,900	1,092,300	-	239,800	239,800
Transbay Transit Center (Phase 2)	463,900	1,949,100	-	427,800	427,800
Subtotal	$575,600	$3,103,900	$-	$850,300	$850,300
Bicycle Infrastructure Improvements					
Bicycle Programs Expansion	$13,000	$139,900	$-	$408,600	$408,600
Total	$1,265,300	$4,478,600	$245,200	$2,001,300	**$1,756,100**

[1] Unless negative, then $0.
Sources: Tables 4.2 and C.7.

Table 4.5: Transit Capital Facilities Funding Sources

Federal Grant Programs
• Federal Transit Administration
  - Section 5307 – Urbanized Area Formula Program
  - Section 5309(b)1 – New Starts, Small Starts and Very Small Starts Programs
• Federal Highway Administration
  - Highway Safety Improvement Program
  - Surface Transportation Program
  - Congestion Mitigation and Air Quality Improvement Program
  - TIGER Discretionary Grants

State Funding Programs • Active Transportation Program • Cap and Trade • Prop1B – Transportation Bond Program • Prop1A – High-Speed Rail Bond Program • Regional Transportation Improvement Program • State Transit Assistance for capital projects • State Highway Operation and Protection Program
Regional and Local Funding Programs • Climate Initiatives Program • Cost Sharing With Other Counties on Joint Projects • Lifeline Transportation Program • OneBayArea Grant Program • Prop AA (San Francisco vehicle registration fee) • Regional Measure 2 (bridge tolls) • Transit Performance Initiative Program • Transportation Fund for Clean Air (Bay Area Air Quality Management District) • SFMTA revenue bonds • General Obligation Bonds • General Fund Allocation for Capital Projects

Maximum Justified Fee

The fee schedule for the TSF transit capital facilities component is based on the maximum justified cost per trip and is shown in **Table 4.6** The cost per trip is based on the maximum justified funding and the total number of trips generated by TSF development.

Table 4.6: Transit Capital Facilities Cost per Trip

	Amount
Maximum Justified TSF Funding	$1,756,100,000
Total Trip Generation	1,713,000
Cost per Trip	$1,025
Source: Tables 4.4 and 2.6	

The maximum justified fee for each economic activity category is based on the cost per trip shown in Table 4.6 multiplied by the trip generation rates for each category. The maximum justified fee schedule is shown in **Table 4.7**. 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 4.7: Transit Capital Facilities Component Maximum Justified Fee (2015 dollars)

Economic Activity Category	Cost per Trip	Trip Generation Rate (per 1,000 sq. ft.)	Maximum Justified Transit Capital Facilities Fee (per sq. ft.)
Formula	*a*	*b*	*c = a * b / 1,000*
Residential	$1,025	7	$7.18
Nonresidential (excluding PDR)	$1,025	25	$25.63
Production, Distribution, Repair (PDR)	$1,025	7	$7.18
Sources: Seifel Consulting, Inc., *San Francisco Eastern Neighborhoods Nexus Study*, prepared for the City of San Francisco Planning Department, May 2008; Tables 2, 3, and Appendix D Table D.2; Tables 4.6 and A.4.			

5. COMPLETE STREETS

The complete streets component of the TSF would fund the enhancement and expansion of pedestrian and other streetscape infrastructure to accommodate growth. This component of the TSF is intended to maintain the existing level of service currently provided for pedestrians in San Francisco. The relationship between development and the complete streets component of the TSF is summarized below and explained more fully in the sections that follow:

- **Need for pedestrian infrastructure:** The impact of development on the need for enhanced and expanded pedestrian infrastructure is based on achieving the pedestrian level of service (pedestrian LOS) recommended in the *San Francisco Citywide Nexus Analysis.*[24] The pedestrian LOS is based on sidewalk space per capita.
- **Use of TSF complete streets revenue:** The benefit to development from the use of fee revenues is based on enhancing and expanding pedestrian and other streetscape infrastructure. Revenues may also be used for bicycle capital facilities for reasons explained in the section *Use of Fee Revenues.*
- **Proportional cost:** The TSF varies in direct proportion to the amount of service population of each development project.

Need For Pedestrian Infrastructure

The need for pedestrian infrastructure is directly related to the number of pedestrians in the City. As discussed in detail in Chapter 2 in the *Service Population* section, pedestrians include both residents and employees with employees also reflecting demand from visitors who use the City's business establishments. The combined service population of residents and employees for pedestrian infrastructure as calculated by the *Citywide Nexus Analysis* is based on residents plus employees weighted at 50 percent.[25] Employees are weighted lower than residents because of the lower demand for pedestrian infrastructure relative to residents (less time at work as an employee compared to time at home or doing other activities as a resident).

[24] San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014, pp. 25-30.

[25] San Francisco Planning Department, *San Francisco Infrastructure Level of Service Analysis*, March 2014, p. 44.

The *Citywide Nexus Analysis* calculated the pedestrian LOS based on the amount of existing sidewalk space and the future service population. Thus the study assumes a pedestrian LOS of 88 square feet per capita in the future compared to 103 square feet per capita currently. To compensate for this conservative assumption, the pedestrian LOS assumes a cost per square foot that incorporates improvements to existing sidewalks with the addition of elements such as curb ramps, bulb-outs, and pedestrian signals.[26]

The unit cost of pedestrian infrastructure calculated by the *Citywide Nexus Analysis* and updated to 2015 dollars is $47.18 per square foot. This cost reflects a conservative set of assumptions for pedestrian infrastructure and reflects a range of improvement levels across the City.[27] This unit cost specifically excludes elements of pedestrian infrastructure that may be required under Section 138.1 of the San Francisco Planning Code related to urban design standards. Under this section of the code the City may require certain development projects to improve pedestrian infrastructure directly adjacent to the project. By excluding these cost elements there is no overlap between the TSF complete streets component and compliance with Section 138.1 of the Planning Code.[28]

Based on the inputs described above, the cost per capita by economic activity category representing the cost of pedestrian infrastructure to serve new development is shown in **Table 5.1.**

[26] Ibid, Table 18, p. 45.

[27] San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014, Table 17, p. 29.

[28] AECOM, memorandum to San Francisco Planning Department regarding San Francisco Infrastructure Nexus Analysis – Streetscape Cost, March 20, 2014, pp. 10-11.

Table 5.1: Pedestrian Infrastructure Level of Service

Economic Activity Category	Level of Service (sq. ft. per capita)	Cost per Sq. Ft.[1]	Service Population Weight[2]	Cost per Capita
Formula	*a*	*b*	*c*	*d = a * b * c*
Residential	88	$47.18	100%	$4,152
Nonresidential (ex. PDR)	88	$47.18	50%	$2,076
Production, Distribution, Repair (PDR)	88	$47.18	50%	$2,076

[1] Cost based on $43.00 ($ 2013) from *Citywide Nexus Analysis*, increased by 4.5% for 2014 and 5.0% for 2015 to reflect annual infrastructure construction cost inflation estimates prepared by the City and applied to all city development impact fees.

[2] Employment service population weighted at 50 percent of residential service population to reflect relative demand for pedestrian infrastructure.

Source: San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014, Table 17, p. 29.

Use of Fee Revenues

The primary purpose of the TSF complete streets components is to fund capital improvements to the City's pedestrian and other streetscape infrastructure. As discussed in the Better Streets Plan (BSP),[29] the City aims to improve the pedestrian environment for all of San Francisco's residents and employees. Acceptable uses of revenue from the TSF complete streets component 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. Current planned expenditures of TSF revenue drawn from the *SFMTA 20-Year Capital Plan* are shown in **Table 5.2**. The table also shows programmed funding for these programs with Proposition K being the only current source.

[29] San Francisco Public Works Code, Section 2.4.13.

Table 5.2: TSF Pedestrian Infrastructure Programs

Pedestrian Infrastructure Program	Amount
Pedestrian Strategy Corridor Program	$363,000,000
Striping and Signage Program	8,800,000
Total	$371,800,000
Programmed Funding: Proposition K[1]	(55,600,000)
Funding Need	$316,200,000

[1] Prop. K funding based on (1) determining Prop. K expenditure line items that would be eligible for funding TSF expenditure plan projects (100% of Prop. K expenditure lines 38 and 40), (2) discounting remaining programmed funds from FY 2016 through FY 2034 to 2014$ for those line items, (3) determining the share available for SFMTA projects (vs. other departments and agencies), and (4) allocating the discounted share to the TSF project.

Sources: San Francisco Municipal Transportation Agency, *SFMTA 20-Year Capital Plan*, Oct. 15, 2013, pp. B-20; San Francisco County Transportation Authority, *2014 Prop. K Strategic Plan,* Sep. 12, 2014; SFCTA staff (for discount factors).

For all area plan fees except the Transit Center District fee, legislation pending before the Board of Supervisors would distinguish between a fee component for transit and a fee component for bicycle, pedestrian and other streetscape infrastructure. To provide consistency with the proposed area plan fee programs, revenue from the TSF complete streets component may also be used for bicycle facilities. The use of the TSF for bicycle facilities is already justified under the transit capital facilities component (see prior chapter). Thus, as long as the maximum justified fees for each component are not exceeded, bicycle facilities may be funded by either component.

Maximum Justified Fee

The maximum justified fee for the complete streets component is based on the cost and building square feet per capita by economic activity category. The maximum justified fee is shown in **Table 5.3**. The variance in the fee by economic activity category based on building space per capita, 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 complete streets infrastructure attributable to each development project.

Table 5.3: Complete Streets Component Maximum Justified Fee (2015 dollars)

Economic Activity Category	Cost per Capita	Sq. Ft. per Capita	Maximum Justified Fee (per sq. ft.)
Formula	*a*	*b*	*c = a / b*
Residential	$4,152	498	$8.34
Nonresidential (excluding PDR)	$2,076	308	$6.74
Production, Distribution, Repair (PDR)	$2,076	597	$3.48
Sources: Tables 5.1 and A.4.			

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6. TRANSPORTATION SUSTAINABILITY FEE

The maximum justified transportation sustainability fee is the sum of the three component fees presented in Chapters 3, 4, and 5. The maximum justified TSF is shown in **Table 6.1** per square foot of building space. The two transit components are subtotaled to show the total maximum justified TSF for transit facilities and services. The total fee on a development project for transit facilities and services should not exceed this amount without a nexus study justifying the higher amount. Likewise, the total fee on a development project for pedestrian and other streetscape infrastructure should not exceed the complete streets component without a nexus study justifying the higher amount.

Table 6.1: Maximum Justified TSF (2015 dollars)

Economic Activity Category	Maximum Justified TSF per Square Foot				
	Transit Components				
	Transit Capital Maintenance	Transit Capital Facilities	Subtotal	Complete Streets Component	Total TSF
Residential	$15.41	$7.18	$22.59	$8.34	$30.93
Nonresidential (excluding PDR)	$55.05	$25.63	$80.68	$6.74	$87.42
Production, Distribution, Repair (PDR)	$15.41	$7.18	$22.59	$3.48	$26.07
Sources: Tables 3.4, 4.7, and 5.3.					

Relationship Between TSF and Area Plan Fees

As listed in Chapter 2, Table 2.3, the City has area plans that have their own separate transportation development impact fees. Pending approval of legislation currently before the Board of Supervisors[30], these fees would be separated between transit and complete streets components. The complete streets component would include bicycle, pedestrian, and other streetscape infrastructure. The TSF is proposed to have a similar structure (separate transit and complete streets components) to mirror the proposed area plan fee structure. This structure is also consistent with the *Citywide Nexus Analysis* referenced in Chapters 2 and 5 of this report.

[30] Pending legislation is regarding adoption of the *Citywide Nexus Analysis* referenced in Chapters 2 and 5 and would amend Article 4 of the Planning Code.

As explained in Chapter 1, the current TIDF is a citywide fee on nonresidential development only. Nonresidential development within a plan area currently pays the TIDF in addition to any area plan transit fee component. If adopted, the TSF would replace the TIDF and be applied to both residential and nonresidential development.

Area plan transportation fees were developed to fund improvements within their respective plan areas to address local impacts from new development. By contrast the TSF is designed to fund citywide projects and programs to address citywide development impacts. Regardless of the separation or overlap between area plan fees and the TSF, the TSF should be adopted at a level such that the combined area plan and TSF amounts are less than the maximum justified TSF amounts shown in Table 6.1. This approach would ensure that new development is not overpaying for transportation impacts and that new development fully benefits from the expenditure of fee revenues. Specifically, within each plan areas the TSF should be adopted at less than the maximum justified amount such that:

- The combined amount of the adopted area plan and TSF transit fee components remains less than the maximum justified TSF transit fee component (transit capital maintenance plus transit capital facilities).
- The combined amount of the adopted area plan and TSF complete streets components remains less than the maximum justified TSF complete streets component.

See Appendix D, **Tables D.1 and D.2** for a list of current transportation fees within plan areas and a comparison with the maximum justified TSF amount. The maximum justified TSF is greater than the current fee (including the TIDF) across all economic activity categories, area plans, and for both the transit and complete streets fee components. In most cases the maximum justified TSF is more than 50 percent greater than the current fee. Thus there is substantial flexibility for the City to determine the appropriate TSF amount to adopt and implement.

Relationship Between TSF and TSP

The TSF will be part of a larger effort, the proposed Transit Sustainability Program (TSP). In addition to the TSF, the TSP includes (1) a transportation demand management (TDM) program for new development projects, and (2) revision to the City's policies regarding evaluation of transportation impacts under the California Environmental Quality Act (CEQA) consistent with State Guidelines adopted pursuant to Senate Bill 743.

The TSF nexus study and the expenditure of TSF revenues are designed to avoid any overlap with other TSP requirements or in any way double charge development projects for the same impact. Based on the current proposal,

the TDM component of the TSP includes a wide range of measures including measures to encourage travel by transit, bicycle, and pedestrian modes. These measures do not overlap with the TSF because:

- TDM measures related to transit service are focused on transit pass subsidies for residents and employees of development projects to encourage transit use. The TSF is focused on offsetting the impact of increased transit use on transit capital maintenance and transit capital facilities costs. Furthermore, farebox revenue supported by transit pass subsidies only covers about one-third of total operating costs ($220 mil. in annual revenue versus $668 mil. of annual costs) and these revenues are excluded from calculation of the TSF transit capital maintenance component (see Table 3.2).
- TDM measures related to bicycle and pedestrian improvements are focused on on-site improvements such as bike parking and frontage improvements for pedestrians. The TSF is focused on citywide capital investments in bicycle facilities and pedestrian infrastructure.

TSF Updates

The TSF should be updated using the following two methods:

1. **Annual updates:** The calculations in this nexus study are based on 2015 dollars. The adopted TSF should be updated annually for cost inflation in a similar manner as the City currently does for all other development impact fees to ensure that fee revenue remains constant with inflation to fund development impacts.
2. **Five-year updates:** The Mitigation Fee Act and the Planning Code require every five years that any local agency implementing a development impact fee make findings similar to those made at the time of the initial fee adoption.[31] For these five year updates the City should:
    a. Update the transit capital maintenance fee component based on the latest available data from the National Transit Database and corresponding land use data for the City.
    b. Update the transit capital facilities fee component based on the latest available list of major transit capital projects that benefit new development, along with updates to project costs and programmed funding.

[31] California Government Code Section 66001(d).

c. Update the complete streets component based on a review of the pedestrian level of service and current cost estimates for pedestrian and other streetscape infrastructure.

These periodic reviews and adjustments to the TSF will ensure that the program continues to adequately address the impacts of development on the City's transportation system.

APPENDICES

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A. LAND USE PROJECTIONS & TRIP GENERATION ESTIMATES

The Transit Sustainability Fee is based on a consistent set of development estimates for 2010 and land use projections for 2040. These estimates and projections are converted to trip generation estimates and used to evaluate the impact of development on the transportation system. This appendix describes these estimates and projections including key assumptions and methodologies used to develop them.

Consistency With Regional Projections

In preparing the land use allocations for 2010 and 2040, the Planning Department controlled citywide totals to the most recent estimates available from the Association of Bay Area Governments (ABAG) for the nine-county San Francisco Bay region developed in association with the Metropolitan Transportation Commission (MTC). Citywide totals were controlled to be within plus or minus two percent of the 2010 and 2040 ABAG totals for population, housing, and employment. Comparisons of the Planning Department's citywide totals with the ABAG totals are shown in **Tables A.1 and A.2.**

Table A-1: San Francisco Development 2010

	Nexus Study	ABAG	Difference, Nexus Study vs. ABAG Amount	Percent
Housing				
Housing Units	376,000	376,900	(900)	(0.2%)
Households	345,900	345,800	100	0.0%
Vacancy Rate	8.0%	8.3%	NA	NA
Employment (Jobs)				
Management, Information and Professional Services	295,100	NA	NA	NA
Retail/Entertainment	97,700	NA	NA	NA
Production, Distribution, Repair	59,900	NA	NA	NA
Cultural/Institution/Education	59,800	NA	NA	NA
Medical and Health Services	36,500	NA	NA	NA
Visitor Services	21,000	NA	NA	NA
Total Employment	570,000	568,700	1,300	0.2%
Jobs per Household	1.65	1.64		

Note: "NA" indicates that San Francisco Planning uses different employment categories than ABAG so comparisons are not applicable.

Sources: San Francisco Planning Department, Land Use Allocation Model Output, December 2013; Association of Bay Area Governments and the Metropolitan Transportation Commission, *Plan Bay Area, Final Forecast of Jobs, Population and Housing,* Table 14, p. 42, July 2013.

Table A-2: San Francisco Development 2040

	S.F. Planning Dept. 2040	ABAG 2040	Difference, Nexus Study vs. ABAG Amount	Percent
Housing				
Housing Units	477,400	469,400	8,000	1.7%
Households	447,000	447,400	(400)	(0.1%)
Vacancy Rate	6.4%	4.7%	NA	NA
Employment (Jobs)				
Management, Information and Professional Services	414,800	NA	NA	NA
Retail/Entertainment	123,200	NA	NA	NA
Production, Distribution, Repair	69,500	NA	NA	NA
Cultural/Institution/Education	80,400	NA	NA	NA
Medical and Health Services	52,200	NA	NA	NA
Visitor Services	26,800	NA	NA	NA
Total Employment	766,900	759,500	7,400	1.0%
Jobs per Household	1.72	1.70		

Note: "NA" indicates that San Francisco Planning uses different employment categories than ABAG so comparisons are not applicable.

Sources: San Francisco Planning Department, Land Use Allocation Model Output, December 2013; Association of Bay Area Governments and the Metropolitan Transportation Commission, Plan Bay Area, Final Forecast of Jobs, Population and Housing, Table 14, p. 42, July 2013.

Housing Unit Size, Employment Density, and Trip Generation Rates

Housing unit size (average square feet per housing unit) and employment density factors (square fee per employee) are used to convert projections of housing units and employment to projections of building space. Average housing unit size is based on the Eastern Neighborhoods Nexus Study completed in 2008.[32] Employment density factors are consistent with those used in the Planning Department's land use allocation tool with one exception (see next paragraph). Trip generation rates are based on the most recent update of the TIDF completed in 2011.[33]

[32] Seifel Consulting, Inc., *San Francisco Eastern Neighborhoods Nexus Study*, prepared for the City of San Francisco Planning Department, May 2008

[33] Cambridge Systematics with Urban Economics, *Transit Impact Development Fee Update*, prepared for the San Francisco Municipal Transportation Agency, February 2011.

The employment density factor and trip generation rate for the Management, Information, and Professional Services (MIPS) economic activity category were adjusted to incorporate recent information from the Central SoMa environmental review as explained in Chapter 2. See **Table A.3** for the MIPS adjustment.

See **Table A.4** for the factors and rates used for all economic activity categories. See **Tables A.5 and A.6** for trip generation estimates used for the nexus analysis for the TSF transit capital maintenance and TSF transit capital facilities components, respectively.

Table A-3: Management, Information & Professional Services Employment Density and Trip Generation Rate

	Formula	Central SoMa	All Other City-wide	Total
Management, Information & Professional Services Employment	*a*	45,000	74,700	119,700
Sq. Ft. per Employee[1]	*b*	200	276	247
Occupied Building Space (1,000 sq. ft.)	*c = a * b / 1,000*	9,000	20,600	29,600
Vacancy Rate	*d*	5.0%	5.0%	5.0%
Total Building Space (1,000 sq. ft.)	*e = c / (1 – d)*	9,500	21,700	31,200
Trip rate (per 1,000 sq. ft.)[2]	***f***	**18**	**13**	**15**
Trips	*g = e * f*	171,000	282,100	453,100
Trip Rate (per employee)	*h = g / a*	3.80	3.78	3.79

[1] "Central SoMa" and "All Other Citywide" employment density (sq. ft. per employee) provided by San Francisco Planning Department. "Total" density is the weighted average.

[2] "All Other Citywide" trip rate is from S.F. Planning Department. "Central SoMa" trip rate is calculated based on the inverse of the ratio of All Other Citywide to Central SoMa employment density. "Total" trip rate is the weighted average of the Central SoMa and All Other Citywide trip rates.

Sources: San Francisco Planning Department, Land Use Allocation Model Output, December 2013; Cambridge Systematics with Urban Economics, *Transit Impact Development Fee Update*, prepared for the San Francisco Municipal Transportation Agency, February 2011.

Table A-4: Service Population, Building Space, and Trip Generation Rates

	Service Population & Building Space			Trip Generation per Housing Unit or 1,000 Square Feet[1]
	Square Feet per Resident or Employee	Residents per Unit or Vacancy Rate (for employment)	Gross Square Feet per Housing Unit or Employee	
Housing				
Housing Units	498	2.32	1,156	7
Employment				
Management, Information & Professional Services	247	5.0%	260	15
Retail/Entertainment	350	5.0%	368	65
Cultural/Institution/ Education	350	0.0%	350	23
Medical and Health Services	350	0.0%	350	22
Visitor Services	787	0.0%	787	13
Nonresidential (ex. PDR)[2]			308	25
Production, Distribution, Repair (PDR)	567	5.0%	597	7

[1] Average daily motorized (transit and auto) trips.

[2] Weighted average based on 2010-2040 growth.

Sources: San Francisco Planning Department, *San Francisco Citywide Nexus Analysis*, March 2014 (for housing density and size); San Francisco Planning Department, Land Use Allocation Model Output, December 2013 (for employment densities and vacancy rates); Cambridge Systematics with Urban Economics, *Transit Impact Development Fee Update*, prepared for the San Francisco Municipal Transportation Agency, February 2011 (for trip generation rates); Table A.3.

Table A-5: Trip Generation 2013

Economic Activity Category	2010 Development (housing units or employment)	Sq. Ft. per Unit or Employee	2010 Development (1,000 sq. ft.)	2010-2013 Development (1,000 sq. ft.)	2013 Development (1,000 sq. ft.)	Trip Generation Rate (average daily trips per 1,000 sq. ft.)	2013 Trip Generation (average daily trips)
Formula	*a*	*b*	*c = a * b*	*d*	*e = c + d*	*f*	*g = e * f*
Residential	376,000	1,156	434,700	2,700	437,400	7	3,062,000
Nonresidential (ex. PDR)	510,100	308	157,100	(200)	156,900	25	3,923,000
Production, Distribution, Repair (PDR)	59,900	597	35,800	(100)	35,700	7	250,000
						Total Trip Generation	7,235,000

Sources: San Francisco Planning Department, Land Use Allocation Model Output, December 2013; Tables A.1 and A.4.

Table A-6: Trip Generation 2010 and 2040

Economic Activity Category	Trip Generation Rate (trips per 1,000 sq. ft.)	2010 Development		2010-2040 Development		2040 Development	
		Building Space (1,000 sq. ft.)	Trip Generation	Building Space (1,000 sq. ft.)	Trip Generation	Building Space (1,000 sq. ft.)	Trip Generation
Residential	7	434,700	3,043,000	117,200	820,000	551,900	3,863,000
Nonresidential (ex. PDR)[1]	25	157,100	3,928,000	57,600	1,440,000	214,700	5,368,000
Production, Distribution, Repair (PDR)	7	35,800	251,000	5,700	40,000	41,500	291,000
Total Trip Generation			7,222,000		2,300,000		9,522,000

[1] Trip generation rate based on weighted average of building square feet for 2010-2040 development by economic activity category and rounded to whole number.

Sources: Tables 2.5, A.4, and A.5.

B. TRANSIT CAPITAL MAINTENANCE

The following two tables provide support for the calculations presented in Chapter 3 for the transit capital maintenance component of the TSF. **Table B.1** provides the source for the inflation and interest rates that are inputs to the model for the net present value factor shown in Table 3.3. **Table B.2** provides a truncated version of the model used to calculate the net present value factor.

Table B-1: Inflation and Interest Rates

Cost Inflation[1]			Interest Earned[2]		
Calendar Year	Index	Annual Rate	Fiscal Year Ending	Index	Annual Rate
2014	252.0	2.86%	2014	105.7	0.73%
2013	245.0	2.21%	2013	105.0	0.95%
2012	239.7	2.70%	2012	104.0	1.32%
2011	233.4	2.59%	2011	102.6	1.24%
2010	227.5	1.38%	2010	101.4	1.38%
2009	224.4		2009	100.0	
Five-Year Compounded Annual Average		2.35%	Five-Year Compounded Annual Average		1.12%

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

[2] Average annual interest earning on City and County of San Francisco pooled fund balances (index 2008 = 100).

Sources: Association of Bay Area Governments (http://www.abag.ca.gov/planning/research/cpi.html); S.F. Treasurer's Office (http://sftreasurer.org/reports-plans).

Table B-2: Net Present Value Factor

	Year	1	2	3	...	43	44	45
Beginning Fund Balance[1]	a	58.78	58.44	58.07	...	7.97	5.40	2.75
Interest Earnings[2]	b = a * 1.12%	0.66	0.65	0.65	...	0.09	0.06	0.03
Expenditures[3]	c = c (prior yr) * 2.35%	(1.00)	(1.02)	(1.05)	...	(2.65)	(2.72)	(2.78)
Ending Fund Balance	d = a + b – c	58.44	58.07	57.67	...	5.40	2.75	0.00
Net Present Value Factor[1]		**58.78**						

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.

[1] 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.

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

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

Source: Table B.1 (for interest and inflation rates).

C. TRANSIT CAPITAL FACILITIES

This appendix provides the supporting documentation for the transit capital projects and programs included in the transit capital facilities component of the TSF presented in Chapter 4. All cost and funding data reflect 2015 dollars.

- **Tables C.1 and C.2** provide supporting data from the transit fleet plan expansion project. Calculated costs reflect net fleet expansion costs to serve new development (2015-2040).
- **Table C.3** provides supporting data for the transit fleet maintenance facilities projects. The facility plan (see table sources) represents a significant re-positioning, upgrade, and expansion of SFMTA's facilities to serve both existing and new development.
- **Table C.4** provides supporting data for the transit reliability improvements. The projects in the upper part of the table are to be implemented in the near term (e.g. by 2017) and are fully funded largely through the City's 2014 general obligation bond. These projects address existing deficiencies and provide for some system capacity expansion to serve new development. The projects in the lower part of the table are unfunded and solely associated with increasing capacity to serve new development. These projects are allocated to TSF transit capital facilities (Table 4.2).
- **Table C.5** provides supporting data for the Geary Bus Rapid Transit project. This project replaces and upgrades an existing transit line so it serves existing development and provides for capacity expansion to serve growth.
- **Table C.6** provides supporting data for the bicycle facilities program. These projects represent a significant expansion of the bicycle program. These projects only serve development by shifting trips out of autos (thereby relieving vehicle congestion and improving transit service) and shifting trips out of transit (thereby relieving transit overcrowding).
- **Tables C.7 and C.8** provide supporting data for the programmed funding available for transit capital facilities shown in Tables 4.2 and 4.4. Estimates reflect funding for 2015-2040 in 2015 dollars.

Table C-1: Transit Fleet Plan

	Existing (2015)	Fleet Expansion/ Contraction	Planned (2040)
Motor Coach (40')	337	(55)	282
Motor Coach (60')[1]	159	157	316
Trolley Coach (40')	240	(50)	190
Trolley Coach (60')	93	17	110
Light Rail Vehicle	147	113	260
Total	976	182	1,158

Note: "TFMP" source was relied upon for all data except where updated by "Vision" source (only update was 2040 estimate of 316 60' motor coach vehicles instead of 324 vehicles).

Note: 30' motor coach and 40' contingency coach vehicles are excluded because their fleet size is not projected to change.

Sources: San Francisco Municipal Transportation Agency, *2014 SFMTA Transit Fleet Management Plan* (TFMP), March 2014, Appendix B; Parson Brinkerhoff, *Addendum to SFMTA's Real Estate and Facilities Vision for the 21st Century / Vision Refinement for Coach Facilities* (Vision), Jun. 24, 2014, Table 1, p. 2.

Table C-2: Transit Fleet Plan Expansion Costs

	Fleet Expansion	Cost per Vehicle	Total Cost
Motor Coach (40')	(55)	$880,000	$(48,400,000)
Motor Coach (60')	157	$1,350,000	$212,000,000
Trolley Coach (40')	(50)	$1,580,000	$(79,000,000)
Trolley Coach (60')	17	$1,970,000	$33,500,000
Light Rail Vehicle	113	$6,000,000	$678,000,000
Net Fleet Expansion	182		$796,100,000
Adjustments			
Geary Bus Rapid Transit Vehicles[1]	(16)	$1,350,000	$(21,600,000)
Central Subway Light Rail Vehicles[2]	(24)	$6,000,000	$(144,000,000)
Net Fleet Expansion Cost After Adjustments	**142**		**$630,500,000**

Note: 30' motor coach and 40' contingency coach vehicles are excluded because their fleet size is not projected to change.

[1] Geary BRT vehicles included in Geary BRT project in TSF capital facilities list (Table 4.2).

[2] Central Subway is not solely designed to accommodate growth and vehicles are fully funded.

Sources: San Francisco Municipal Transportation Agency (personal communication regarding costs per vehicle, Vehicle Demand Summary for Expenditure Plan.xlsx, Nov. 21, 2014); Table C.1.

Table C-3: Transit Fleet Maintenance Facilities

Facility Name	Amount
Motor and Trolley Coach Facilities	
Burke	Detail By Facility Not Available
Central Body Repair & Paint (Muni Metro East-MME)	
Facility Expansion or New Facility (to be identified)	
Flynn	
Islais Creek	
Kirkland	
Marin	
Potrero	
Presidio	
Woods	
Subtotal	$433,000,000
Other Fleet Facilities[1]	
Cameron Beach	11,048,000
Green	4,348,000
Green Annex	1,094,000
Total	**$449,490,000**

[1] Other fleet facilities include facilities for light rail vehicles, historic rail fleet, and cable cars. Excludes Scott facility because it is only used for non-revenue generating vehicles.

Sources: Parsons Brinckerhoff, *Real Estate and Facilities Vision for the 21st Century*, prepared for the San Francisco Municipal Transportation Agency, Feb. 5, 2013, Table 3, p. 51; Parsons Brinckerhoff, *Vision Refinement for Coach Facilities* (draft), prepared for the San Francisco Municipal Transportation Agency, Jun. 24, 2014, Table 5, p. 14.

Table C-4: Muni Forward Rapid Network Improvements

Project Name	Amount
Sample Near Term Projects To Address Existing Deficiencies & Provide Additional Capacity (funded)[1]	
5 Fulton: Outer Route Fast Track Transit Enhancements	$2,800,000
71 Haight-Noriega: Haight Street Fast Track Transit & Streetscape Enhancements	1,500,000
9 San Bruno: Potrero Ave Fast Track Transit & Streetscape Enhancements	7,133,000
Columbus Street Fast Track Transit Enhancements	700,000
Irving Street Fact Track Transit Enhancements	2,000,000
Mission and Silver Fast Track Transit Enhancements	400,000
5 Fulton: McAllister Street Fast Track Transit Enhancements	800,000
10 Townsend: Sansome Contraflow Signals	1,000,000
28 19th Avenue: 19th Ave Transit and Pedestrian Enhancements	16,500,000
30 Stockton: Eastern Segment Transit Enhancements	3,400,000
5 Fulton: Mid-Route Transit Enhancements	22,700,000
71 Haight-Noriega: Haight Street Transit and Streetscape Enhancements	6,600,000
8X Bayshore Express: Geneva Ave Transit Enhancements	8,250,000
9 San Bruno: 11th St and Bayshore Blvd Transit and Pedestrian Enhancements	4,400,000
N Judah: Transit Enhancements	14,600,000
8X Bayshore Express: Mid-Route Transit Enhancements	3,750,000
14 Mission: Downtown Mission Transit and Streetscape Enhancements	19,600,000
14 Mission: Inner Mission Transit and Streetscape Enhancements	1,500,000
14 Mission: Outer Mission Transit and Streetscape Enhancements	3,850,000
22 Fillmore: 16th Street Transit and Streetscape Enhancements - Phase 1	34,745,000
J Church: Transit Enhancements	10,800,000
L Taraval: Transit and Streetscape Enhancements	10,500,000
Total	**$177,528,000**
Share	**77%**
Sample Longer Term Projects To Provide Additional Capacity (unfunded)	
1 California Travel Time Reduction Project	$8,920,000
22 Fillmore Segment 2 (on Fillmore) Travel Time Reduction Project	6,620,000
28 19th Avenue Segment 2 (in Marina) Travel Time Reduction Project	1,900,000
30 Stockton Segment 1 (west of Van Ness) Travel Time Reduction Project	23,120,000
5 Fulton TEP Travel Time Reduction Project: Segment 2 from Arguello to 25th Ave.	1,260,000
K v TEP Travel Time Reduction Project	4,720,000
M Ocean View Segment 1 (West Portal to 19th Av) Travel Time Reduction Project[1]	500,000
M Ocean View Segment 1 (West Portal to 19th Av) Travel Time Reduction Project[1]	3,000,000
M Ocean View Segment 2 (East of 19th Av) Travel Time Reduction Project[2]	3,620,000
Subtotal	**$53,660,000**
Share	**23%**
Total	**$231,188,000**

[1] These projects are fully funded with the largest source being the 2014 general obligation transportation bond.

[2] The TSF transit capita facilities list also includes an M-Ocean View/19th Ave. project (see Table 4.2). There is no overlap between the Rapid Network projects listed here and that project because the later excludes the segments shown here.

Source: San Francisco Municipal Transportation Agency; "Muni Forward Rapid Network Capital Projects - Implementation Summary" (1-page summary), May 12, 2014.

Table C-5: Geary Bus Rapid Transit

Project Element	Amount
Dedicated colorized bus lanes	$84,696,000
Station/stop bus operation improvements	53,818,000
Station/stop passenger amenities	60,283,000
Bus vehicle changes	22,655,000
Traffic signals	40,124,000
Other street improvements	34,779,000
Pedestrian improvements	22,296,000
Other changes at key areas	4,854,000
Total	**$323,505,000**

Source: San Francisco Municipal Transportation Agency, *Attachment 3: Geary Cost Estimate By Element and Phase* (SFMTA Board Presentation), Nov. 13, 2014.

Table C-6: Bicycle Facilities Program Expansion

Program Element	Amount
Bicycle Network Expansion	$64,825,000
Bicycle Network Long Term Improvements	370,400,000
Bicycle Plan Network Short Term Projects	23,000,000
Location-Specific Bicycle Hotspot Improvements	13,500,000
Bicycle Sharing	54,000,000
Secure Bicycle Parking	10,800,000
Short Term Bicycle Parking	12,000,000
Total	$548,525,000

Source: San Francisco Municipal Transportation Agency, *SFMTA 20-Year Capital Plan*, Oct. 15, 2013, pp. B-3 to B-5.

Table C-7: Transit Capital Projects & Programs – Programmed Funding ($ 1,000)

Expenditure Plan Category / Project or Program	Prop. K[1] Expenditure Line	Prop. K[1] Amount	GO Bond	MTC Core Capacity	Caltrain Project Funding	TTC Project Funding	Developer Funding	Total Programmed Funding
Transit Service Expansion and Reliability Improvements								
Transit Fleet Expansion	15	$-	$-	$400,000	$-	$-	$6,000	$406,000
Transit Facilities Vision	20M	13,800	70,000	67,000				150,800
Muni Forward Rapid Network	1	2,000						2,000
Geary Bus Rapid Transit	1	46,100						46,100
M-Ocean View / 19th Ave.	1	-					71,800	71,800
Subtotal		$61,900	$70,000	$467,000	$-	$-	$77,800	$676,700
Improvements Supporting Regional Transit Operators								
BART Car Expansion	17B	-	$-	$-	$-	$-	$-	$-
BART Train Control	22B	2,800						2,800
Caltrain Electrification	6	3,900			$105,000			108,900
Transbay Transit Center (Phase 2)	5	83,300				380,600		463,900
Subtotal		$90,000	$-	$-	$105,000	$380,600		$575,600
Bicycle Infrastructure Improvements								
Bicycle Programs Expansion	39	$13,000	$-	$-	$-	$-		$13,000
Total		**$164,900**	**$70,000**	**$467,000**	**$105,000**	**$380,600**	**$77,800**	**$1,265,300**

[1] Prop. K funding based on (1) determining Prop. K expenditure line items that would be eligible for funding TSF expenditure plan projects, (2) discounting remaining programmed funds from FY 2016 through FY 2034 to 2015 dollars for those line items, (3) determining the share available for SFMTA projects (vs. other departments and agencies), and (4) allocating the discounted share to the TSF project.

Sources: **Prop. K:** San Francisco County Transportation Authority, *2014 Prop. K Strategic Plan*, Appendices D (for Transbay Transit Center funding) and Appendix F (for all other projects), Sep. 12, 2014; SFCTA staff, personal communication (for discount factors). **GO Bond:** San Francisco Municipal Transportation Agency, *Transportation 2030: 2014 Transportation and Road Improvement General Obligation Bond Report*, Jun. 18, 2014 (appendix). **MTC Core Capacity:** Metropolitan Transportation Commission, Resolution No. 4123, Dec. 18, 2013. **Caltrain and TTC Project Funding:** See Prop. K source, based on allocated plus programmed funding discounted 9.3 percent to 2015 dollars net of Prop. K contribution (shown in separate column). **Developer Funding:** San Francisco Planning Department.

Table C-8: Transit Capital Projects & Program Funding Notes

Expenditure Category / Sample Project or Program	Funding Notes
Transit Reliability Improvements	
Transit Fleet Expansion	**Prop. K:** No funding for this line item after FY 2015. **MTC Core Capacity:** $400 mil. from Cap and Trade based on proposed legislation (AB 574 (Lowenthal) proposed in 2013). **TTC Project Funding:** Excludes TCDP impact fee funding of $2 mil. for two 40' coaches so that TSF maximum justified fee is inclusive of TCDP impact fee (see discussion of area plan fees in Chapter 6). **Developer Funding:** Parkmerced providing $6 mil. for one light rail vehicle through development agreement.
Transit Facilities	**Prop. K:** Allocate 100% of line item. **GO Bond:** Allocate 100% of "Muni Facilities" category. **MTC Core Capacity:** $67 mil. from Cap and Trade based on proposed legislation (AB 574 (Lowenthal) proposed in 2013).
Muni Forward Rapid Network	**Prop. K:** Allocate $2 mil. from line item. **GO Bond:** No funds allocated because all funding for higher priority projects (see Table C.4).
Geary Bus Rapid Transit	**Prop. K:** Allocates 100% of line item except for Rapid Network allocation.
M-Ocean View / 19th Ave.	**Prop. K:** Allocate 0% of line item. **GO Bond:** Does not allocate any available funding for Corridor Improvement Program ($28M) that is limited to design and engineering studies. **Developer Funding:** Parkmerced providing $70 mil. and San Francisco State University providing $1.83 mil. through development agreements.
Improvements Supporting Regional Transit Operators	
BART Fleet Expansion	**Prop. K:** Allocate 0% of line item because line item is only for car replacement. No funding assumed from MTC Core Capacity because funding needed to offset cost increases ($5.3 mil. per car versus MTC Core Capacity estimate of $3.3 mil. per car).
BART Train Control	**Prop. K:** Allocate 100% of line item. No funding assumed from MTC Core Capacity because funding needed to offset cost increases (total project now estimated at $915 mil. of which $200 mil. is associated with increasing system capacity versus MTC Core Capacity estimate of $700 mil.).
Caltrain Electrification	**Prop. K:** Allocate 100% of line item. **Caltrain Project Funding:** Includes all allocated and programmed funds discounted 9.3 percent to 2015 dollars. Excludes all planned funding.
Transbay Transit Center (Phase 2)	**Prop. K:** Allocate 100% of line item. **TTC Project Funding:** Includes all allocated and programmed funds discounted 9.3 percent to 2015 dollars. Excludes all planned funding.
Bicycle Infrastructure Improvements	
Bicycle Program Expansion	**Prop. K:** Allocate 75% of line item based on prior and near term allocations (remainder for other departments and transit agencies and for non-capital projects).
Sources: See Table C.7.	

D. AREA PLAN FEES

Table D.1 provides a schedule of current transportation fees. Each area plan fee is allocated to transit and complete streets components based on Citywide Nexus Study legislation (see Article 4 of the San Francisco Planning Code), currently pending adoption at the Board of Supervisors as of publication of this report. The current TIDF is added to the area plan transit component because the TIDF is imposed citywide on all development projects. The TIDF currently only applies to nonresidential projects and not to residential projects. Based on the proposed legislation, the complete streets component of the area plan fees funds bicycle facilities plus pedestrian and other streetscape infrastructure. There is no current citywide fee for pedestrian infrastructure and bicycle facilities.

Table D.2 compares the total current fee with the maximum justified transportation fee documented in this TSF nexus study (see Table 6.1 in Chapter 6). The table separately compares the transit and complete streets fee components. The existing TIDF is replaced by the TSF and the TSF is applied to all residential and nonresidential development. As shown in the table the maximum justified TSF is greater than the current fee across all economic activity categories, area plans, and for both fee components. In most cases the maximum justified TSF is more than 50 percent greater than the current fee.

Table D-1: Existing Transportation Fees (fee per sq. ft.)

Area Plan / Economic Activity Category	Incremental Fee (TCDP Only)	Total Area Plan Fee[1]	Transit				Complete Streets	
			Share	Area Transit Fee	City-wide TIDF[2]	Total	Share	Total
Formula		*a*	*b*	*c = a * b*	*d*	*e = c + d*	*f*	*g = a * f*
Balboa Park								
Residential		9.71	12%	1.17	-	1.17	38%	3.69
Nonresidential (excluding PDR)		1.82	12%	0.22	14.14	14.36	38%	0.69
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Market & Octavia								
Residential		10.92	22%	2.40	-	2.40	44%	4.80
Nonresidential (excluding PDR)		4.13	20%	0.83	14.14	14.97	61%	2.52
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Rincon Hill								
Residential		10.44	0%	-	-	-	79%	8.25
Nonresidential (excluding PDR)		-	0%	-	14.14	14.14	0%	-
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Van Ness and Market Downtown Residential Special Use District								
Residential		18.20	22%	4.00	-	4.00	44%	8.01
Nonresidential (excluding PDR)		18.20	45%	8.19	14.14	22.33	30%	5.46
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Visitacion Valley								
Residential		5.56	0%	-	-	-	45%	2.50
Nonresidential (excluding PDR)		-	0%	-	14.14	14.14	45%	-
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Eastern Neighborhoods – General – Tier 1								
Residential		9.71	10%	0.97	-	0.97	31%	3.01
Nonresidential (excluding PDR)		7.28	53%	3.86	14.14	18.00	34%	2.48
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Eastern Neighborhoods – General – Tier 2								
Residential		14.56	10%	1.46	-	1.46	31%	4.51
Nonresidential (excluding PDR)		12.14	53%	6.43	14.14	20.57	34%	4.13
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Eastern Neighborhoods – General – Tier 3								
Residential		19.42	10%	1.94	-	1.94	31%	6.02
Nonresidential (excluding PDR)		16.99	53%	9.00	14.14	23.14	34%	5.78
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-

Table D.1: Existing Transportation Fees (fee per sq. ft.) (continued)

Area Plan / Economic Activity Category	Incremental Fee (TCDP Only)	Total Area Plan Fee[1]	Transit				Complete Streets	
			Share	Area Transit Fee	City-wide TIDF[2]	Total	Share	Total
Formula		*a*	*B*	*c = a * b*	*d*	*e = c + d*	*f*	*g = a * f*
Eastern Neighborhoods - Affordable Housing Zones - Tier 1								
Residential		9.71	6%	0.58	-	0.58	4%	0.39
Nonresidential (excluding PDR)		7.28	85%	6.19	14.15	20.34	4%	0.29
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Eastern Neighborhoods - Affordable Housing Zones - Tier 2								
Residential		14.56	6%	0.87	-	0.87	4%	0.58
Nonresidential (excluding PDR)		12.14	85%	10.32	14.15	24.47	4%	0.49
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Eastern Neighborhoods - Affordable Housing Zones - Tier 3								
Residential		19.42	6%	1.17	-	1.17	4%	0.78
Nonresidential (excluding PDR)		16.99	85%	14.44	14.15	28.59	4%	0.68
Production, Distribution, Repair (PDR)		-	0%	-	7.46	7.46	0%	-
Transit Center District Plan - FAR Up To 9:1								
Residential	4.39	4.39	NA[3]	4.39	-	4.39	NA[3]	NA[3]
Office, Retail, Institutional	4.39	4.39	NA[3]	4.39	14.14	18.53	NA[3]	NA[3]
Hotel	4.39	4.39	NA[3]	4.39	14.14	18.53	NA[3]	NA[3]
Industrial	4.39	4.39	NA[3]	4.39	7.46	11.85	NA[3]	NA[3]
Transit Center District Plan - FAR 9:1 to 18:1								
Residential	6.58	7.68	NA[3]	7.68	-	7.68	NA[3]	NA[3]
Office, Retail, Institutional	21.40	15.09	NA[3]	15.09	14.14	29.23	NA[3]	NA[3]
Hotel	8.78	8.78	NA[3]	8.78	14.14	22.92	NA[3]	NA[3]
Industrial	4.39	4.39	NA[3]	4.39	7.46	11.85	NA[3]	NA[3]
Transit Center District Plan - FAR Above 18:1								
Residential	3.29	9.97	NA[3]	9.97	-	9.97	NA[3]	NA[3]
Office, Retail, Institutional	10.97	25.71	NA[3]	25.71	14.14	39.85	NA[3]	NA[3]
Hotel	3.29	11.51	NA[3]	11.51	14.14	25.65	NA[3]	NA[3]
Industrial	4.39	4.39	NA[3]	4.39	7.46	11.85	NA[3]	NA[3]

[1] For TCDP, average fee for projects with 9:1 to 18:1 FAR based on maximum possible amount (18:1 FAR), or 100% of base fee plus 50% of incremental fee. Average fee for projects with greater than 18:1 FAR based on 181 Fremont project, or 70% of three incremental fees summed. No incremental fee for production, distribution, repair (PDR) category.

[2] Current Transportation Impact Development Fee (applied citywide). The weighted average rate is used for nonresidential (ex. PDR) and Office, Retail, Institutional (for the TCDP).

[3] TCDP does not allocated fee to transit versus complete streets components.

Sources: San Francisco Planning Department, *San Francisco Citywide Development Impact Fee Register* (rates effective Jan. 1, 2015).

Table D-2: Existing Vs. Maximum Justified Transportation Fees (fee per sq. ft.)

Area Plan / Economic Activity Category	Transit				Complete Streets			
	Cur-rent	Max. Justi-fied	Differ-ence (amt.)	Differ-ence (%)	Cur-rent	Max. Justi-fied	Differ-ence (amt.)	Differ-ence (%)
Balboa Park								
Residential	1.17	22.59	(21.42)	(95%)	3.69	8.34	(4.65)	(56%)
Nonresidential (excluding PDR)	14.37	80.68	(66.31)	(82%)	0.69	6.74	(6.05)	(90%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Market & Octavia								
Residential	2.40	22.59	(20.19)	(89%)	4.80	8.34	(3.54)	(42%)
Nonresidential (excluding PDR)	14.98	80.68	(65.70)	(81%)	2.52	6.74	(4.22)	(63%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Rincon Hill								
Residential	-	22.59	(22.59)	(100%)	8.25	8.34	(0.09)	(1%)
Nonresidential (excluding PDR)	14.15	80.68	(66.53)	(82%)	-	6.74	(6.74)	(100%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Van Ness and Market Downtown Residential Special Use District								
Residential	4.00	22.59	(18.59)	(82%)	8.01	8.34	(0.33)	(4%)
Nonresidential (excluding PDR)	22.34	80.68	(58.34)	(72%)	5.46	6.74	(1.28)	(19%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Visitacion Valley								
Residential	-	22.59	(22.59)	(100%)	2.50	8.34	(5.84)	(70%)
Nonresidential (excluding PDR)	14.15	80.68	(66.53)	(82%)	-	6.74	(6.74)	(100%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Eastern Neighborhoods - General - Tier 1								
Residential	0.97	22.59	(21.62)	(96%)	3.01	8.34	(5.33)	(64%)
Nonresidential (excluding PDR)	18.01	80.68	(62.67)	(78%)	2.48	6.74	(4.26)	(63%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Eastern Neighborhoods - General - Tier 2								
Residential	1.46	22.59	(21.13)	(94%)	4.51	8.34	(3.83)	(46%)
Nonresidential (excluding PDR)	20.58	80.68	60.10)	(74%)	4.13	6.74	(2.61)	(39%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Eastern Neighborhoods - General - Tier 3								
Residential	1.94	22.59	(20.65)	(91%)	6.02	8.34	(2.32)	(28%)
Nonresidential (excluding PDR)	23.15	80.68	(57.53)	(71%)	5.78	6.74	(0.96)	(14%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)

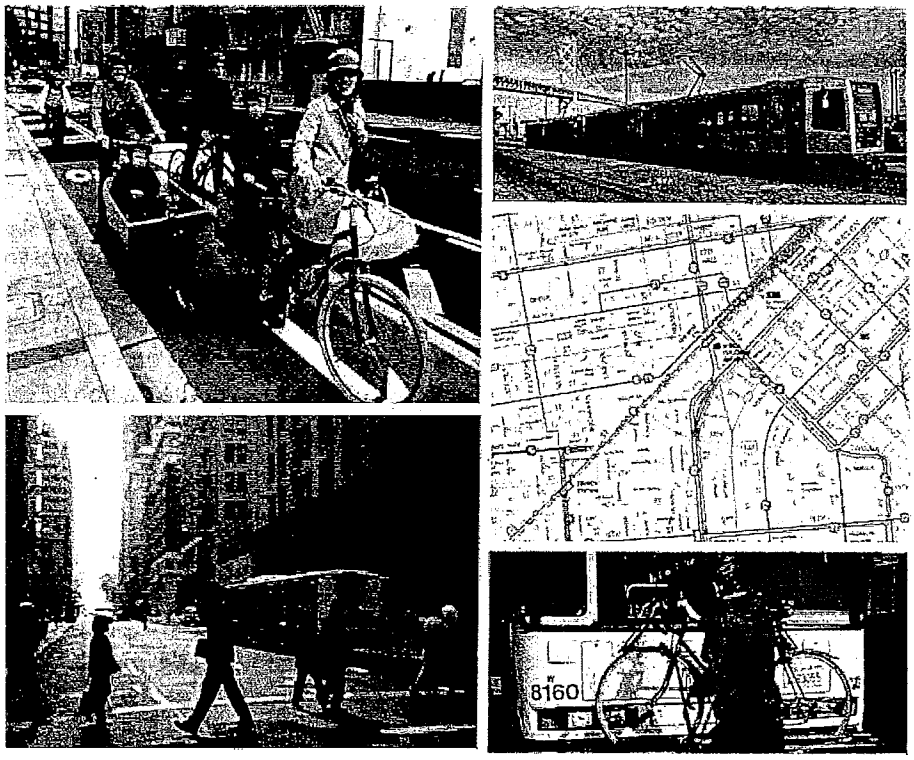
Table D.2: Existing Vs. Maximum Justified Transportation Fees (fee per sq. ft.) (continued)

Area Plan / Economic Activity Category	Transit				Complete Streets			
	Current	Max. Justified	Difference (amt.)	Difference (%)	Current	Max. Justified	Difference (amt.)	Difference (%)
Eastern Neighborhoods - Affordable Housing Zones - Tier 1								
Residential	0.58	22.59	(22.01)	(97%)	0.39	8.34	(7.95)	(95%)
Nonresidential (excluding PDR)	20.34	80.68	(60.34)	(75%)	0.29	6.74	(6.45)	(96%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Eastern Neighborhoods - Affordable Housing Zones - Tier 2								
Residential	0.87	22.59	(21.72)	(96%)	0.58	8.34	(7.76)	(93%)
Nonresidential (excluding PDR)	24.47	80.68	(56.21)	(70%)	0.49	6.74	(6.25)	(93%)
Production, Distribution, Repair (PDR)	7.46	22.59	15.13)	(67%)	-	3.48	(3.48)	(100%)
Eastern Neighborhoods - Affordable Housing Zones - Tier 3								
Residential	1.17	22.59	(21.42)	(95%)	0.78	8.34	(7.56)	(91%)
Nonresidential (excluding PDR)	28.59	80.68	(52.09)	(65%)	0.68	6.74	(6.06)	(90%)
Production, Distribution, Repair (PDR)	7.46	22.59	(15.13)	(67%)	-	3.48	(3.48)	(100%)
Transit Center District Plan - FAR Up To 9:1								
Residential	4.39	30.93	(26.54)	(86%)	TCDP does not allocate fee to transit and complete streets components so total TCDP fee compared with total TSF maximum justified under "Transit".			
Office	18.54	87.42	(68.88)	(79%)				
Hotel	18.54	87.42	(68.88)	(79%)				
Industrial	11.85	26.07	(14.22)	(55%)				
Transit Center District Plan - FAR 9:1 to 18:1								
Residential	7.68	30.93	(23.25)	(75%)				
Office	29.24	87.42	(58.18)	(67%)				
Hotel	22.93	87.42	(64.49)	(74%)				
Industrial	11.85	26.07	(14.22)	(55%)				
Transit Center District Plan - FAR Above 18:1								
Residential	9.97	30.93	(20.96)	(68%)				
Office	39.86	87.42	(47.56)	(54%)				
Hotel	25.66	87.42	(61.76)	(71%)				
Industrial	11.85	26.07	(14.22)	(55%)				
Sources: Tables 6.1 and D.1.								

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SAN FRANCISCO

Transportation Sustainability Fee: Economic Feasibility Study



Prepared for

San Francisco Planning Department

Prepared by

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Spring 2015

I. Introduction

The Association of Bay Area Governments (ABAG) estimates that the City of San Francisco will add 190,000 jobs and 100,000 households by 2040.[1] Much of this growth is already occurring – projects aimed at creating housing for upwards of 60,000 new residents are currently under construction or are being reviewed. More housing and more jobs means more travelers using the City's roads and transit lines, further straining the City's already-congested and overtaxed transportation system. To offset the impact of new development, San Francisco needs to invest in updated infrastructure, including transportation system improvements. In 2013, Mayor Edwin M. Lee convened a Transportation Task Force to investigate what San Francisco can do to update its transportation network and to prepare it for future travelers. The Task Force found that in order to meet current need and future demand, the City would need to invest $10 billion in transportation infrastructure through 2030, which will require $6.3 billion in new revenues.[2]

The Transportation Sustainability Program (TSP) is an initiative to improve and expand San Francisco's transportation system. This economic feasibility study presents findings of an economic evaluation of the potential impact of the proposed TSP on new development in San Francisco. The Transportation Sustainability Fee (TSF), the TSP component examined in this study, is a proposed citywide impact fee that will help fund new transit, bicycle and pedestrian improvement projects as well as capital maintenance. The TSF would provide additional revenue to help fill the City's transportation funding gap and ensure that new developments pay their fair share for impacts on the City's transportation system. Another TSP component examined in this study is the reform of the California Environmental Quality Act (CEQA) review process, which has the potential to enhance the City's ability to deliver new development in a more reliable, timely and cost efficient manner.

San Francisco is currently experiencing a surge in residential and commercial real estate construction and absorption, after a significant recessionary period that ended in 2012. Increased demand from both business expansion and new residents, combined with the relatively slow pace of development that has occurred for more than a decade, has contributed to rapidly escalating sales prices and rental rates. Recognizing the need for new development (particularly housing development) to meet the needs of a growing population and to ensure that prices do not continue to escalate to unsustainable levels, the goal of this study is to evaluate and inform the development of the TSP to ensure that the program will not impair development feasibility overall.

This report presents the following information:

I. **Introduction**– describes the purpose of the study and its organization.
II. **Summary of Findings**– summarizes the results of the economic feasibility analysis.
III. **Description of Proposed Transportation Sustainability Program**– provides an overview of the TSP and its three interrelated components: the Transportation Sustainability Fee (TSF), which will replace the current Transit Impact Development Fee (TIDF), California Environmental Quality Act (CEQA)/ Level of Service (LOS) reform, and Citywide Transportation Demand Management (TDM).

[1] Association of Bay Area Governments, *Projections 2013.*
[2] For more information on the Mayor's 2030 Transportation Task Force, please visit: http://transportation2030.sfplanning.org

IV. **Study Goals and Methodology**– presents the key goals for the study, along with a summary of the analysis methodology, including the selection of ten prototypical developments (prototypes) for evaluation.

V. **Cost and Time Savings from CEQA / Level of Service Reform**– describes the potential cost and time savings for environmental review that may occur with the TSP and analyzes what savings may occur for the ten development prototypes with TSP.

VI. **Results From Analysis of Base Case TSF Levels**– presents the financial results, assuming the TSF would be established at the fee rates listed in the 2012 Draft TSF Ordinance (after adjusting for inflation, to 2015 dollars) and assuming the proposed consolidation of non-residential fee categories, as described in the 2015 San Francisco Transportation Sustainability Fee Nexus Study. (For purposes of this study, these fee rates are referred to as "Base Case TSF.")

VII. **Sensitivity Analysis of Alternative TSF Levels**– compares the financial results, assuming alternative TSF levels at 125 percent (%), 150% and 250% of the Base Case TSF (2012 Draft TSF Ordinance levels inflated to 2015 Dollars).

VIII. **Conclusion**

II. Summary of Findings

This economic feasibility study evaluates the potential impact of the proposed Transportation Sustainability Program (TSP) on ten prototypical development types (prototypes) commonly found in San Francisco. This evaluation is done by analyzing how the proposed Transportation Sustainability Fee (TSF) would increase development costs and affect overall development feasibility, as measured by changes in residual land value.[3] This study also examines the potential economic benefits from streamlining the City's environmental review process as a result of California Environmental Quality Act (CEQA)/ Level of Service (LOS) reform.

A. Impact of Base Case TSF on New Development

The Transportation Sustainability Fee (TSF) is a proposed citywide impact fee on both residential and non-residential development that will replace the current Transit Impact Development Fee (TIDF), which currently applies to most non-residential development. This study first evaluates the economic impact of imposing transportation impact fees at rates based on the 2012 Draft TSF Ordinance, also referred to as the "Base Case TSF" scenario.[4] (See Section III.A for a more detailed description of the proposed TSF.)

For non-residential development, the Base Case TSF rates are roughly equivalent to the current TIDF rates. For residential development, the Base Case TSF would represent an additional cost burden of $6.19 per gross square foot (/GSF), although this may be partially offset by fee credits and/or environmental review time and cost savings. (Residential developments within certain plan areas, such as Eastern Neighborhoods or Market and Octavia, may be eligible for a fee reduction– referred to as a fee credit in this report– equal to the transit portion of the applicable area plan impact fee.) While the potential financial impact of the TSF on development projects varies according to factors such as use, location and certain key costs, the study found that:

- Non-residential development would experience the least financial impact from TSP, as the Base Case TSF is about the same as the existing TIDF for most land uses.
- The residential cost burden due to the imposition of the Base Case TSF is equivalent to an average increase in direct construction costs of about 1–2% depending on the type of construction. In neighborhoods where the bulk of development is occurring, this level of increase would not have a major impact on overall project feasibility or resulting housing costs.
- The impact of the additional fee on residential uses is partially mitigated in situations where a project is eligible for a prior-use credit, area plan fee credit or predevelopment time and cost savings due to CEQA/LOS Reform (as described in the next section).

[3] Residual land value is the difference between what a developer expects to receive in revenues, less all costs associated with developing the buildings. Land residual models are useful when comparing the impact of different policy options on land values because they can test and compare the economic impact under a variety of site-specific conditions and development assumptions.

[4] The Base Case TSF levels are defined as the fee rates in the 2012 Draft TSF Ordinance (Board File No. 120524), adjusted for inflation to 2015 dollars, with the proposed consolidation of non-residential fee categories as described in the 2015 draft San Francisco Transportation Sustainability Fee Nexus Study (2015 TSF Nexus Study). The 2012 Draft TSF Ordinance can be found here:
http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/committees/materials/lu120524tdr.pdf

- In neighborhoods where current market rent and/or sales prices are not high enough to warrant development investment, the TSF will further inhibit the ability of new development to become financially feasible. However, the TSF itself will not cause these developments to be infeasible.

B. Impact of CEQA/LOS Reform on New Development

Another component of the TSP is reform of the California Environmental Quality Act (CEQA) review process called for under Senate Bill (SB) 743, specifically the elimination of the transportation Level of Service (LOS) analysis requirement in Transit Priority Areas (which encompass most of the developable area of San Francisco). In analyzing this change, the study found that:

- If a project is currently required to undertake a transportation Level of Service (LOS) analysis, the TSP will provide modest economic benefits if the level of environmental review remains the same. In these cases, the elimination of LOS analysis could reduce consultant costs by $25,000 to $95,000 and result in a time savings of 5 months during the entitlement period, which would potentially decrease predevelopment carrying costs. This scenario applies to four of the ten prototypes evaluated in this study. For two of these prototypes, the combination of consultant cost savings and predevelopment savings could fully offset the impact of the Base Case TSF.
- Projects that would be eligible for a lesser level of environmental review as the result of CEQA/LOS reform would achieve the greatest economic benefit. For instance, one of the prototypes studied might be eligible for a Community Plan Exemption (CPE) under the TSP, as compared to a Focused Environmental Impact Report (FEIR) under current conditions. This could potentially result in direct cost savings of about $560,000 in environmental consultant/Planning Department fees and predevelopment time savings of 5 months, which could fully offset the impact of the Base Case TSF.
- The time and cost savings described above, combined with greater predevelopment predictability, could help offset the financial impact of the TSF for a subset of new development.
- For developments that do not currently need a transportation study (which is typically the case for smaller developments), no direct predevelopment cost or time savings would likely occur as a result of CEQA/LOS reform. However, these projects may experience indirect benefits, as CEQA/LOS reform would minimize the time spent on environmental review and reduce backlogs for City staff, potentially shortening the predevelopment process for all projects.

The study recognizes that predevelopment savings may or may not occur, due to environmental analysis of other topics or issues that may arise during the entitlement process, and thus the study analyzes the financial impact on RLV with and without predevelopment savings.

C. Transportation Sustainability Fee Sensitivity Analysis

Given the study findings that the TSF (at Base Case TSF levels) would not have a major impact on overall project feasibility and potential predevelopment savings from CEQA/LOS reform could help offset this financial impact, this report examines the impact of higher TSF levels that could provide increased funding for new transit, bicycle and pedestrian improvement projects. A sensitivity analysis was performed to test the effect of higher TSF levels– 125%, 150% and 250% of the Base Case TSF– which

are all well within the maximum justified fee amounts identified in the 2015 draft San Francisco Transportation Sustainability Fee Nexus Study (2015 TSF Nexus Study), as shown below:[5]

Alternative TSF Scenarios for Sensitivity Analysis (2015 Dollars)					
Use	***Base Case TSF ($/GSF)***	***125% TSF ($/GSF)***	***150% TSF ($/GSF)***	***250% TSF ($/GSF)***	***Maximum Justified Fee (not modeled)[6]***
Residential	$6.19	$7.74	$9.29	$15.48	$30.95
Non-residential	$14.43	$18.04	$21.65	$36.08	$87.52
PDR[7]	$7.61	n/a	n/a	n/a	$26.09

The sensitivity analysis results indicate that:

- The financial impact of fees at 125% of the Base Case TSF on new development is similar to the results found at Base Case TSF. Overall development costs would increase by about $1.60/GSF (to $7.74/GSF) for residential and by about $3.60/GSF (to $18.04/GSF) for non-residential development, without consideration of fee credits or predevelopment savings. This level of increase would not have a major impact on overall project feasibility or resulting housing costs in neighborhoods where most of new development is occurring.
- At 150% of the Base Case TSF, the fee does not impact overall project feasibility for the majority of prototypes, but development costs would substantively increase for both residential and non-residential uses. Potential predevelopment streamlining benefits only offset the fee increase under one prototype scenario. In some areas of the city and for certain land use and construction types, the TSF at this level could inhibit development feasibility.
- Fee increases to 250% of the Base Case TSF would more significantly increase the cost of development for most of the prototypes, to a level that could not be offset by potential time and cost savings under CEQA/LOS reform for any of the prototypes. In many areas of the city and for a broad range of development types, the TSF at this level could significantly inhibit development feasibility.
- If the City's real estate market were to experience a downturn and future revenue growth is not sufficient to cover construction and other development costs, new development will be more sensitive to higher impact fees.

For all of these reasons, and as further described in the final chapters of this report, the findings from the economic analysis indicate that the TSF should be established at no more than 125% of the initial fee level.

[5] All of these fee levels are within the maximum justified fee amounts identified in the 2015 San Francisco Transportation Sustainability Fee Nexus Study (2015 TSF Nexus Study).

[6] Maximum Justified Fee is not modeled but is presented in the San Francisco Transportation Sustainability Fee Nexus Study (2015).

[7] New development of PDR uses was not analyzed in the feasibility study.

III. Description of Proposed Transportation Sustainability Program

The Transportation Sustainability Program (TSP) is an initiative intended to improve and expand San Francisco's transportation system, which will help to keep people moving as the City grows. Today, San Francisco's streets are congested while transit lines are already at or near capacity, with record numbers of riders traveling on Muni, BART and Caltrain. If San Francisco does not change its current development practices and invest in transportation improvements citywide, future development could result in unprecedented traffic gridlock on San Francisco's streets and overcrowding on San Francisco's buses and trains. Without investing in transportation infrastructure, San Francisco will have more than 600,000 vehicles added to its streets every day by 2040, which is more traffic than all the vehicles traveling each day on the Bay Bridge and Golden Gate Bridge combined.[8] Caltrain ridership has grown by 60% in the last decade. Ridership on Muni is projected to increase by 300,000 trips per day (or 43%) by 2040.[9] Significant design measures need to be implemented to make it safer for cyclists and pedestrians to navigate San Francisco's heavily-trafficked streets.

The TSP will help fund transportation improvements so San Francisco's streets are safer and less congested and minimize new development's impact on the transportation system. Further, the TSP will help improve environmental performance from development by shifting trips away from cars to less polluting modes of transportation.

The TSP project goals include:

- Make it easier to safely, reliably and comfortably travel to get to work, school, home and other destinations.
- Help manage traffic congestion and crowding on local and regional transit.
- Improve air quality and reduce greenhouse gas emissions
- Enhance the safety of everyone's travel, no matter which mode of transportation they choose.

To help achieve these goals, the TSP seeks to:

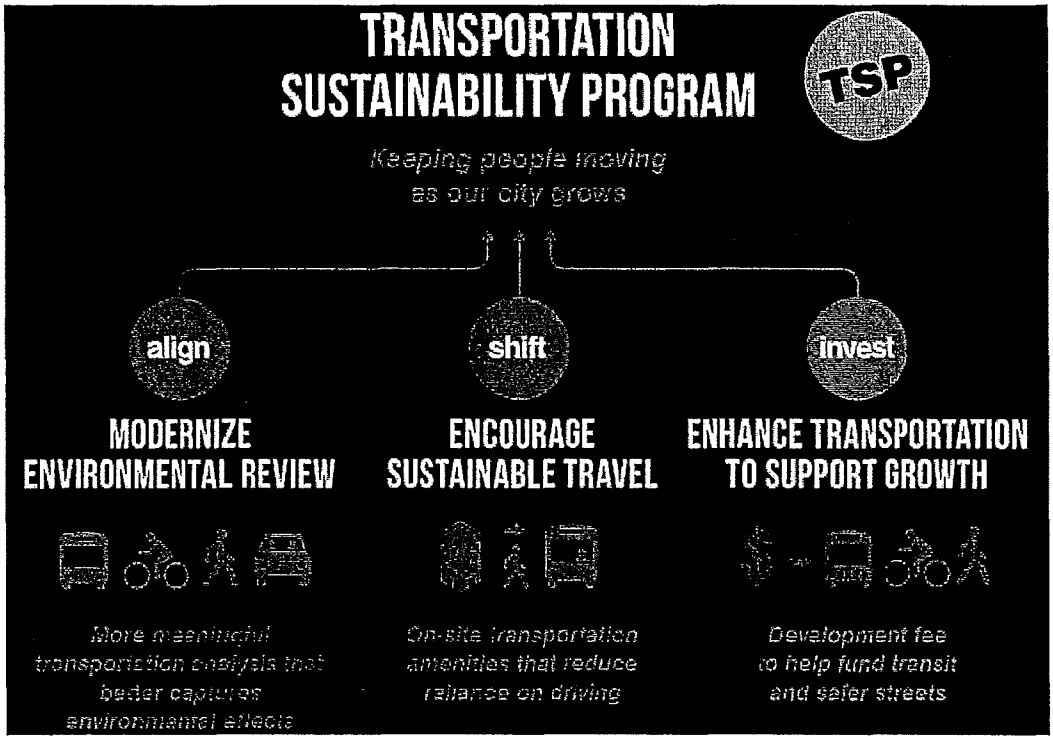
- **Enhance Transportation to Support Growth:** Fund citywide transportation improvements, including the addition of Muni buses and trains, helping to accommodate new residents and new members of the workforce.
- **Modernize Environmental Review:** Make the review process align with the City's longstanding environmental policies by changing how the City analyzes the impacts of new development on the transportation system under CEQA. The new practices will be more reliable and will emphasize travel options that create less traffic.
- **Encourage Sustainable Travel:** Make it easier for new residents, visitors and workers to get to their destination by means other than driving alone, and by integrating environmentally friendly travel options into new developments. New practices will provide on-site amenities so that people have options other than driving their cars by themselves (such as car-sharing and shuttle services).

The TSP consists of three policy components: 1) the Transportation Sustainability Fee (TSF), which will replace the current Transit Impact Development Fee (TIDF); 2) California Environmental Quality Act

[8] San Francisco County Transportation Agency, San Francisco Transportation Plan 2040.
[9] *Ibid.*

(CEQA) / Level of Service (LOS) reform; and, 3) Citywide Transportation Demand Management (TDM) development. The following sections briefly describe each of these three policy components. Figure 1 provides a brief overview of the TSP.

Figure 1. Overview of Transportation Sustainability Program



A. Transportation Sustainability Fee

The Transportation Sustainability Fee (TSF) is a citywide development impact fee intended to help offset the impact of new development on the City's transportation system. The TSF would apply citywide to most new development and to existing development where there is a change in land use. The proceeds from the TSF would fund projects that help reduce crowding on buses and trains while creating safer streets. When combined with other anticipated funds, improvements could include:

- **More Muni buses and trains.** Expand the Muni fleet by more than 180 vehicles to improve reliability and reduce travel times. The proceeds could also upgrade Muni maintenance facilities, as some facilities are more than 100 years old and are in need of renovation to accommodate a modern fleet.
- **Upgraded reliability on Muni's busiest routes.** Improve transit stops and reengineer city streets (Muni Forward projects) in a way that better organizes traffic, saving customers up to an hour a week in travel time.
- **Roomier and faster regional transit.** Retrofit or buy new BART train cars to provide more space for passengers and bikes. Invest in electrifying Caltrain to increase service into and out of San Francisco.

- **Improved bike infrastructure; safer walking and bicycling.** Expand bike lanes to reduce crowding on transit. Secure millions of dollars for bicycle infrastructure and pedestrian safety improvements.

The TSF would replace the existing Transit Impact Development Fee (TIDF), which currently applies to most non-residential development, and would include market-rate residential development, major hospitals and universities. The TSF would be assessed in proportion to the size and use of the proposed development. As described in the 2015 TSF Nexus Study, the TSF would also consolidate non-residential fee categories. (For further information on the TSF, please refer to the Transportation Sustainability Program website and the 2015 TSF Nexus Study.[10])

The TSF economic feasibility study evaluates the impact of the proposed TSF at various potential fee levels on prototypical developments. Table 1 compares the current TIDF fee rates (referred to as Base Case TIDF in this study) with the rates contained in the 2012 Draft TSF Ordinance (with dollar amounts adjusted for inflation to 2015 dollars), and assumes consolidated non-residential fee categories per the 2015 TSF Nexus Study (referred to as Base Case TSF in this study). Sensitivity analysis on higher TSF rates was also conducted, at 125%, 150%, and 250% of the Base Case TSF levels, as described in Chapter VII.[11]

Table 1. Existing TIDF vs. 2012 Draft TSF Ordinance Rates

Transit Impact Development Fee (TIDF) *(Base Case TIDF: Existing 2015 Fee)*		**Transportation Sustainability Fee (TSF)** *(Base Case TSF[1])*	
Use	Fee [$/GSF]	Use	Fee [$/GSF]
Management/Information/Professional Services (MIPS)	*$13.87*	Residential	*$6.19*
Retail/Entertainment	*$14.59*	Non-residential	*$14.43*
Cultural/Institution/Education	*$14.59*	PDR	*$7.61*
Medical	*$14.59*	**Note:**	
Visitor services	*$13.87*		
Museum	*$12.12*	[1] Fee rates from the 2012 ordinance have been adjusted for inflation to 2015 dollars, and non-residential fee categories have been consolidated, consistent with other existing impact fees, as shown in the 2015 SF Transportation Sustainability Fee Nexus Study. These fee levels are also referred to as "Base Case TSF" in this study.	
Production/ Distribution/Repair (PDR)	*$7.46*		

Source: San Francisco Planning Department, 2015

[10] Transportation Sustainability Program website: http://tsp.sfplanning.org

[11] The Base Case TSF levels are defined as the fee rates in the 2012 Draft TSF Ordinance (Board File No. 120524), adjusted for inflation to 2015 dollars, with the proposed consolidation of non-residential fee categories as described in the 2015 TSF Nexus Study. The 2012 Draft TSF Ordinance can be found at: http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/committees/materials/lu120524tdr.pdf

A portion of the impact fee funding from certain area plans is dedicated to transit projects. Under the Transportation Sustainability Fee proposal, residential projects inside some plan areas would receive a credit for the transit portion of the area plan impact fee.[12]

B. California Environmental Quality Act and Level of Service Reform

Over the last 2 years, the City of San Francisco and the State of California have been actively working on Level of Service (LOS) reform and on improvements to the environmental review process under the California Environmental Quality Act (CEQA). With the adoption of the Sustainable Communities and Climate Protection Act of 2008 (SB 375), California is promoting land use and transportation planning decisions and investments that reduce vehicle miles traveled, thereby helping to lower greenhouse gas emissions as required by the California Global Warming Solutions Act of 2006 (AB 32).

On September 27, 2013, Governor Jerry Brown signed Senate Bill 743 (SB 743).[13] A key provision of SB 743 is the elimination of the use of LOS as a metric for measuring traffic impacts of projects in "transit priority areas" – defined as areas within ½ mile of a major transit stop, which encompasses most of the developable area of San Francisco.[14, 15] Senate Bill 743 also requires the California Office of Planning and Research (OPR) to develop revisions to the CEQA Guidelines establishing alternative criteria for determining the significance of transportation impacts of projects within transit priority areas that promote the "...reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses."

On August 6, 2014, OPR published the Updating Transportation Impacts Analysis in the CEQA Guidelines document, in response to SB 743.[16] These Draft CEQA guidelines indicate that the travel distance and amount of driving that a development project might cause should be the primary consideration when reviewing the project's transportation impact. Accordingly, OPR proposes that the LOS metric be replaced with a Vehicle Miles Traveled (VMT) metric. Level of Service analysis could be used for traffic engineering or transportation planning purposes, although not for environmental review.

Level of Service reform would eliminate the need for intersection LOS analysis for development projects that require a transportation impact study (TIS), which is typically required for larger developments. Level of Service analysis is a lengthy and costly process that can frequently drive the overall schedule for the TIS and broader CEQA analysis process. Level of Service analysis typically requires: identifying study

[12] Projects in the Transit Center District Plan (TCDP) do not receive a TSF area plan fee reduction– referred to as a fee credit– as the Transit Center Transportation and Streets Fee is designated to address the substantial impacts on transit associated with such a high density development. Projects in the Rincon Hill and Visitacion Valley area plans also do not receive a TSF area plan fee credit, since these area plan fees do not include a transit component.

[13] SB 743 can be found on-line at:
http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB743

[14] Public Resources Code, Chapter 2.7, Division 13, Section 21099. "Modernization of Transportation Analysis for Transit-Oriented Infill Projects."

[15] A "transit priority area" is defined in as an area within one-half mile of an existing or planned major transit stop. A "major transit stop" is defined in Section 21064.3 of the *California Public Resources Code* as a rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.

[16] Document available at:
http://www.opr.ca.gov/docs/Final_Preliminary_Discussion_Draft_of_Updates_Implementing_SB_743_080614.pdf

intersections; calculating the project's travel demand; distributing the project's trips on the surrounding roadway network; conducting traffic counts; and running a traffic simulation model that measures the impact of the project-related trips on study intersections.

The existing LOS analysis requirement creates uncertainty, as only toward the conclusion of a transportation impact analysis (well into the pre-entitlement process) does a developer fully realize if a project's traffic impact would necessitate a higher level of environmental review (such as an Environmental Impact Report). As the environmental approvals must be completed prior to project approval hearings, this situation represents a significant risk to the developer, who must invest time and money for environmental review of projects that could ultimately be rejected. Thus, time and cost savings for environmental review, as well as earlier certainty around the TIS findings, will help reduce the pre-entitlement risk taken on by project sponsors.

The overall effect of LOS reform is to more accurately measure the environmental impacts of new development, simplify the transportation impact analysis and environmental review process and increase development certainty. This economic feasibility analysis evaluates the direct time and cost savings that typical projects may experience in the preparation of the TIS and related CEQA documentation. Additionally, there may be indirect economic benefits for all projects, as the removal of LOS analysis from transportation and environmental review documents would minimize the time spent on environmental review (thereby reducing backlogs for City staff and facilitating new development).

C. Transportation Demand Management (TDM) Development

One goal of the TSP is to minimize single-driver car trips while maximizing trips (from new developments) made via sustainable modes of transportation, such as walking, biking, ridesharing and mass transit. Transportation Demand Management (TDM) measures aim to reduce single occupancy vehicle (SOV) trips through programming and policies that encourage walking, bicycling, public or private transit, carpooling, and other alternative modes. Transportation Demand Management measures include both project design measures (such as way-finding signage or bicycle parking) and operational measures (such as employer transportation programs). The California Office of Planning and Research has recommended the use of TDM trip reduction strategies in the preliminary CEQA guidelines to implement Senate Bill 743.[17]

San Francisco is studying the benefits of implementing TDM measures on the choice of transportation mode. The City's policies already require many TDM measures – for instance, the Planning Code requires residential developments to include a certain number of Class I and Class II bicycle parking facilities.[18]

For the purposes of this feasibility analysis, the development prototypes incorporate TDM measures that are currently required as part of City policy – for instance, all prototypes include the required level of bicycle parking facilities and carshare parking spaces, consistent with the Planning Code. However, this study does not separately calculate the direct costs (such as increased space for bicycle parking) and benefits (such as lower construction costs from less vehicular parking) associated with TDM measures, nor any potential legislative changes to TDM requirements, as these TDM measures and legislative changes are not yet defined.

[17] http://www.opr.ca.gov/docs/Final_Preliminary_Discussion_Draft_of_Updates_Implementing_SB_743_080614.pdf

[18] San Francisco Planning Code, Section 155.2

IV. Study Goals and Methodology

The purpose of this study is to evaluate the potential impact of the proposed TSP on new development in San Francisco. The study has three primary goals:

- Evaluate the potential impact of the TSP on development feasibility.
- Gather input from the development community on development revenues and costs, as well as how CEQA/LOS reform might help streamline the development process.
- Conduct sensitivity analysis on potential development scenarios (e.g. alternative TSF levels).

A. Methodology Overview

This section briefly describes the methodology and underlying data that Seifel Consulting Inc. (Seifel) used to perform the economic analyses. All of the core components of the methodology, assumptions and analysis were developed and vetted in collaboration with City staff and Urban Economics (the City's nexus study consultant) over a series of meetings held during 2014 and 2015. The methodology leverages prior economic analyses and reports that were prepared when the TSP was originally being conceptualized in 2009 through 2012, as well as other studies that the City has commissioned to evaluate proposed modifications to the City's impact fees, inclusionary housing programs and neighborhood land use plans. (For a more detailed discussion of the methodology, development assumptions and data sources used in this study, please refer to Appendix A.)

The data and analysis presented in this study and its appendices have been gathered from the most reliable sources available and are designed to represent current market conditions, taking in to account a long-range view of real estate cycles in San Francisco. This information has been assembled and analyzed for the sole purpose of performing an economic evaluation of the proposed adoption of the TSP. Actual potential financial impacts on new development may vary from the estimates presented in this study.

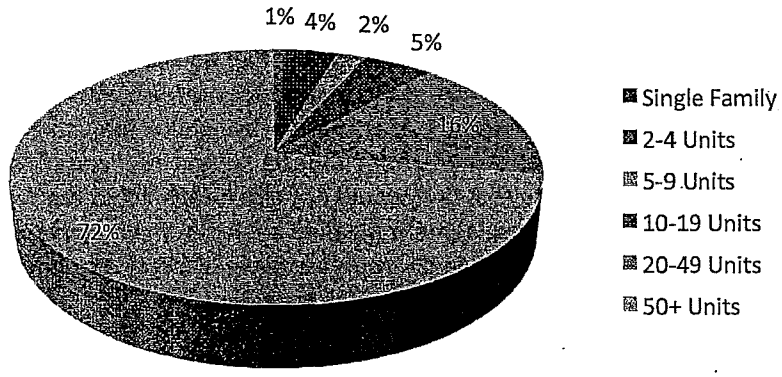
B. Selection of Development Prototypes

The first step in the analysis was to select a set of prototypical developments to be analyzed. Ten development prototypes – eight residential, two non-residential – were developed in order to represent the range of typical potential developments citywide that would see changes as a result of the TSP. The study placed greater emphasis on residential prototypes since the TSF proposal represents a new fee on residential uses. Seifel worked with City staff to identify common development types and locations by analyzing existing data sources, such as the San Francisco Planning Department's development pipeline, the Housing Inventory Report, Preliminary Project Assessments (PPAs), and market data sources.

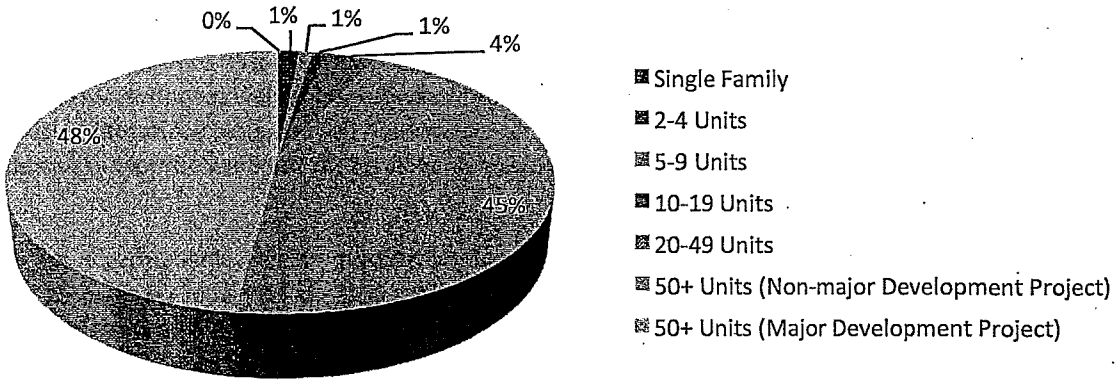
The residential prototypes were also designed to represent the broad range of development sizes that would likely be built in San Francisco. Figure 2 (following page) illustrates typical residential project sizes constructed in 2004–2014 and in the current development pipeline. As the top graph in Figure 2 shows, 72% of housing units constructed in the past decade are located in larger developments, sized 50 units or more. Less than 1% of housing units constructed during the last decade consist of single-family units, with about 11% of units located in developments sized between 2-19 units, and about 16% in developments 20-49 units in size.

Figure 2. Historical Housing Production and Current Development Pipeline, by Development Size

Distribution of Housing Units Constructed by Development Size, 2004-2014



Distribution of Housing Units in Pipeline by Development Size



Source: San Francisco Planning Department; 2014 San Francisco Housing Inventory Report; San Francisco Development Pipeline, Q3 2014.

Note that the following Major Development Projects are subject to agreements with developers to implement specific transportation improvements as a condition of project approval, and are specifically exempted from paying the TSF (per the terms of the applicable Redevelopment Plan or Development Agreement): CPMC; Candlestick Point/Hunters Point Shipyard Phases 1 and 2; Presidio, SF State; Transbay Redevelopment Project Area (Zone zone 1); Treasure Island/Yerba Buena Island (residential only); UCSF; and Park Merced (residential only).

According to the current development pipeline, the City can expect a reduced proportion of future residential development to be smaller-sized developments (19 units or fewer), representing about 3% of housing units. About 4% of new housing units are projected to occur in developments ranging in size from 20 to 49 units, while about 93% are anticipated to occur in larger developments (50 units or more).

About half of these housing units in larger developments (50 units or more) are located in major development projects with development agreements or other contracts that specifically exempt future development from having to pay the TSF. Those agreements specify other developer obligations to mitigate development impacts, such as construction of local transportation infrastructure. While these projects would not be subject to the TSF, they nonetheless will fund substantial improvements to the City's transportation system, helping to mitigate development impacts. Given this, none of the selected prototypes is located in major development projects that would not also be subject to the TSP. Most of the larger residential projects currently in the development pipeline are located in area plans, and three of the development prototypes (Prototypes 5, 8 and 9) are representative of larger residential developments with 100 or more housing units that are located in area plans.

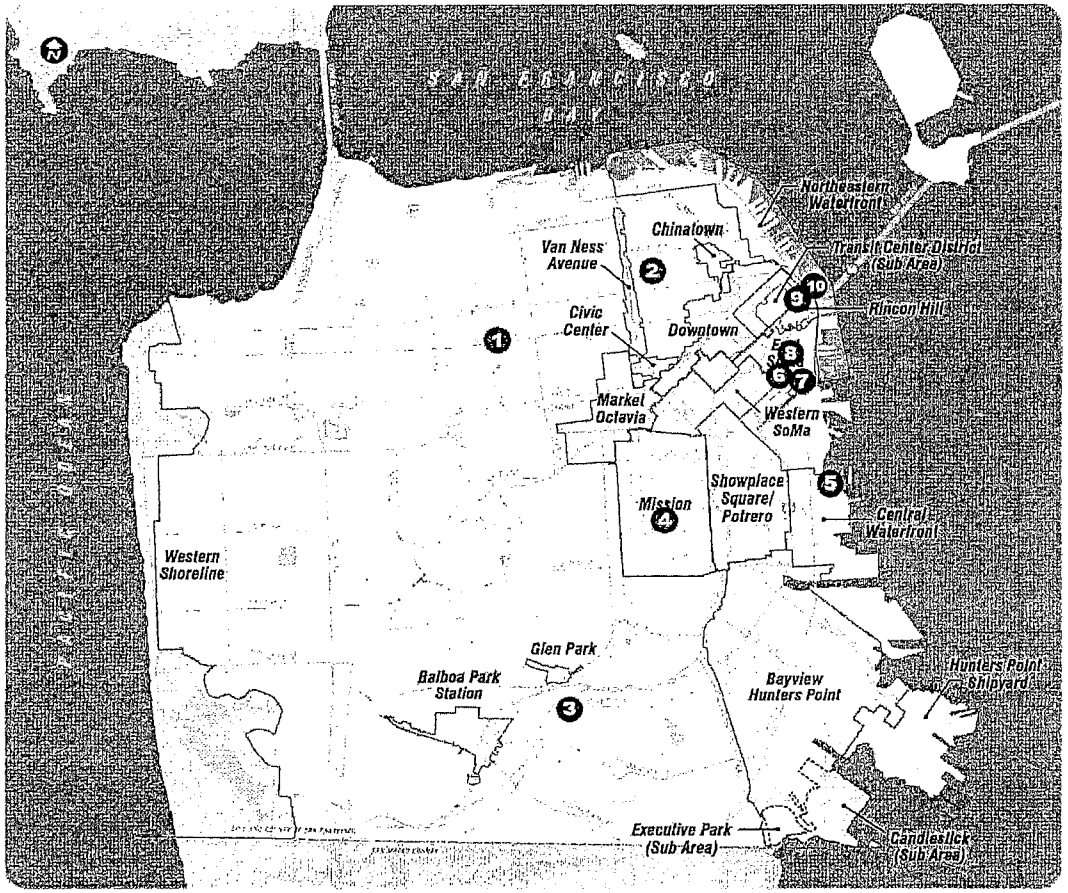
According to Planning Department data, most residential projects are mixed use developments, consisting of retail on the ground floor and residential on the upper floors. In addition, most of San Francisco's developable infill sites have zoning requirements that require active uses (such as retail) on street frontages. Thus, all but one of the residential prototypes is mixed use with retail development included on the ground floor.

The project team sought prototype locations both inside and outside of area plans in order to study different impact fee scenarios. In addition, prototype locations were chosen to represent varied transportation conditions in order to study different environmental review scenarios. Where possible, prototypes were selected to correspond with those analyzed in the concurrent Affordable Housing Bonus and Central SoMa feasibility analyses, in order to ensure that key development assumptions are consistent across these studies.

For purposes of distinguishing residential prototypes by development size, small projects are defined as consisting of 19 or fewer units (Prototypes 1 and 4), medium projects consist of 20–60 units (Prototypes 2, 3 and 6), and large projects consist of 61 or more units (Prototypes 5, 8, 9). The two non-residential prototypes are large office buildings with ground floor retail (Prototypes 7 and 10), which are reflective of typical office developments in the development pipeline.

The development revenue and cost assumptions were developed based on developer input and data gathered from a variety of real estate professionals, including market specialists, real estate brokers and general contractors. Figure 3 shows locations throughout the City of the development prototypes analyzed for the feasibility study and Table 2 provides an overview of the prototypes.

Figure 3. TSF Economic Feasibility Study Prototypes & Adopted Area Plans



1. **Geary Ave**[1]
   Small residential mixed-use, 8 units
2. **Van Ness Ave**[1]
   Medium residential mixed-use, 60 units
3. **Outer Mission**[1]
   Medium residential mixed-use, 24 units
4. **Mission**
   Small residential mixed-use, 15 units
5. **Central Waterfront**
   Large residential mixed-use, 156 units
6. **East SoMa**[1]
   Medium residential mixed-use, 60 units
7. **East SoMa**[1]
   Large office, 224k sq. ft.
8. **East SoMa**[1]
   Large residential mixed-use, 141 units
9. **Transit Center**
   Large residential, 229 units
10. **Transit Center**
    Large office, 320k sq. ft.

[1] Corresponds with Affordable Housing Bonus / Central SoMa feasibility studies.

Table 2. Overview of Economic Feasibility Study Prototypes[1]

Prototype	Lot Area (Square Feet)	Housing Units	Residential (Net Square Feet)	Non-residential (Net Square Feet)	Area Plan
1. Geary Ave[2] *(small residential mixed use)*	5,000	8	8,800	1,400 (retail)	None
2. Van Ness Ave[2] *(medium residential mixed use)*	24,300	60	59,800	8,100 (retail)	None
3. Outer Mission[2] *(small residential mixed use)*	14,400	24	30,000	2,900 (retail)	None
4. Mission *(small residential mixed use)*	6,000	15	14,300	2,300 (retail)	Eastern Neighborhoods
5. Central Waterfront *(large residential mixed use)*	35,000	156	118,800	4,500 (retail)	Eastern Neighborhoods
6. East SoMa[2] *(medium residential mixed use)*	10,000	60	43,100	4,500 (retail)	Eastern Neighborhoods
7. East SoMa[2] *(large office)*	35,000	-	-	224,400 (202,100 office and 22,300 retail)	Eastern Neighborhoods
8. East SoMa[2] *(large residential mixed use)*	15,000	128	119,800	6,800 (retail)	Eastern Neighborhoods
9. Transit Center *(large residential)*	15,000	229	241,300	-	Transit Center District Plan (TCDP)
10. Transit Center *(large office)*	20,000	-	-	320,300 (307,500 office and 12,800 retail)	TCDP

Source: San Francisco Planning Department.

Notes:

[1] Numbers rounded to nearest 100.

[2] Prototype corresponds with prototypes studied in the Affordable Housing Bonus / Central SoMa feasibility studies.

C. Transportation Impact Fees

In order to evaluate the impact of the TSF on new development, Seifel worked with City staff to calculate transportation impact fees and other development impact fees for each of the feasibility study prototypes. Table 3 compares the transportation fee obligation for each of the prototypes currently under the TIDF with the Base Case TSF levels, which are defined as the fee rates in the 2012 Draft TSF Ordinance (adjusted for inflation to 2015 dollars) with the proposed consolidation of non-residential fee categories. (Refer back to Section III.A for more information.)

D. Evaluation of Potential Time and Cost Savings with TSP

For each of these development prototypes, City staff documented the level of environmental review and associated costs that would likely be required currently (before consideration of the TSP) and what would be required with the adoption of the TSP. The potential costs and time spent on environmental review for each of these prototypes was then compared under these two conditions in order to understand the potential direct economic benefits from the adoption of the TSP. For example, if the prototype being analyzed might currently be required to do a transportation study that includes an LOS analysis (as was found to be the case for Prototypes 5, 7, 8, 9 and 10), City staff evaluated what predevelopment cost and time savings might occur if no LOS analysis was required. Chapter V describes in greater detail how the analysis of potential TSP savings was performed and summarizes the results for each development prototype.

Time saved during the development entitlement period can decrease the amount of predevelopment carrying costs that a developer would need to pay, which could increase the amount a developer would be willing to pay for land. The economic analysis assumes that predevelopment costs (including land) are equal to about 5% of development value (typically within a range of 5-15% of development value or total development cost, according to the Urban Land Institute).[19] While predevelopment costs vary by development (e.g. whether land is purchased up front or purchased at the end of an option period, with option payments made in the interim, and the extent of upfront predevelopment costs), this estimate is considered to be generally representative of a potential predevelopment carry scenario. The economic effect of predevelopment time savings is measured by multiplying estimated predevelopment costs by a 12% annual equity carrying cost (conservative assumption as equity during entitlement period often requires a higher return threshold) times the number of months saved divided by one year.[20]

As described further in Chapter V, transportation is just one of several topics that may be analyzed as part of a project's environmental review, so these predevelopment savings may not occur in all cases. Thus, the financial analysis evaluates each prototype assuming that the potential level of predevelopment cost and time savings would occur or would not occur.

[19] As described in Chapters 2 and 3 in "Finance for Real Estate Development," Charles Long, ULI, 2011.

[20] For example, five months in potential time savings would result in potential predevelopment carry savings equal to about 0.25% of development value or about 0.5% of direct construction costs.

Table 3. Comparison of Transit Impact Development Fee (TIDF) and Transportation Sustainability Fee (TSF) for Development Prototypes[1]

Prototype	TIDF (2015 fee) *[a]*	Base Case TSF[2] *[b]*	TSF Area Plan Credit[3] *[c]*	TSF Net Fee (Increase over existing fees) *[b – a + c]*
1. Geary Ave *(small residential mixed use)*	$18,900	$88,800	$0	**$69,900**
2. Van Ness Ave *(medium residential mixed use)*	$0	$458,900	$0	**$458,900**
3. Outer Mission *(small residential mixed use)*	$0	$42,400	$0	**$42,400**
4. Mission *(small residential mixed use)*	$17,800	$55,700	($14,300)	**$23,600**
5. Central Waterfront *(large residential mixed use)*	$3,600	$421,700	($168,300)	**$249,900**
6. East SoMa *(medium residential mixed use)*	$35,600	$263,800	($100,600)	**$127,600**
7. East SoMa *(large office)*	$3,388,100	$3,510,800	$0	**$122,700**
8. East SoMa *(large residential mixed use)*	$109,400	$1,041,400	($292,800)	**$639,200**
9. Transit Center *(large residential)*	$0	$2,059,700	$0	**$2,059,700**
10. Transit Center *(large office)*	$5,346,000	$5,551,200	$0	**$205,200**

Source: San Francisco Planning Department, 2014.

Notes:

[1] Numbers rounded to nearest $100. Some numbers may not precisely subtract due to rounding.

[2] Fee rates from the 2012 draft TSF ordinance have been adjusted for inflation to 2015, and non-residential fee categories have been consolidated, consistent with the SF Transportation Sustainability Fee Nexus Study. Prior use fee credits have been applied for eight prototypes (Prototypes 1 through 8), reflecting typical conditions for infill sites.

[3] Residential developments in some area plans may be eligible for a TSF area plan fee reduction– referred to as a fee credit– equivalent to the transit component of the applicable area plan impact fee. For residential projects in the Eastern Neighborhoods area plans (Prototypes 4, 5, 6, 7 and 8), the credit is 10% of the area plan fee. Projects in TCDP (Prototypes 9 and 10) are not eligible for a TSF area plan fee credit as the Transit Center Transportation and Street Improvement Fee is designated to address the substantial impacts on transit associated with such high-density development.

E. Residual Land Value Analysis

In order to evaluate the direct economic effect of the TSP, Seifel developed land residual models to estimate and compare the value of land before and after the proposed adoption of the TSP for the 10 prototypical developments described above. Residual land value (RLV) models calculate the potential amount a developer would be willing to pay for land, given anticipated development revenues, costs and a target developer margin. The developer margin represents a target return threshold that takes into account development risk, including the timeline it takes to complete the development, the uncertainty of future development revenues and costs and the level of returns that must be achieved to attract private capital. Developers commonly use RLV models at the initial stages of development to test feasibility and determine how much they can afford to pay for land.[21]

The RLV is the difference between what a developer expects to receive in revenues (e.g., sale of condominium units), less all costs associated with developing the buildings (e.g., predevelopment costs, hard construction costs, tenant improvements, construction financing, developer overhead, marketing/sales costs, other soft construction costs and target developer margin).[22] RLV models are useful tools to test the financial impact of different public policies on land values and development feasibility because they can compare the financial impact on land values given variable development scenarios, including variations in development land uses, revenues, costs and policy options.

The RLV analysis compares the potential land value for each development prototype under current conditions with the potential land value assuming the imposition of the TSF, both with and without the anticipated predevelopment savings.[23] The next chapter describes the potential predevelopment cost and time savings in greater detail.

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[21] The Urban Land Institute (ULI) has published literature that describes how developers analyze the feasibility of potential development projects, including the use of residual land value analysis. Refer to Chapters 2 and 3 in "Finance for Real Estate Development," Long, ULI, 2011.

[22] As part of the economic evaluation process, Seifel compared the projected development values, residual land values, target developer margins, and other financial metrics in the RLV models with current real estate data on similar transactions, including recent rental rates and sales prices, comparable land sales, market capitalization rates and financial pro forma information gathered from the development community. The RLVs for each prototype under current conditions were also compared to land values that are currently being assumed in recent developer pro formas, as well as information obtained from recent land sales and valuation input from Clifford Advisory. According to recent market information, the minimum market sales price for residentially zoned land in San Francisco is about $90,000 per unit ("per door"), and the RLV under the Base Case TIDF for residential units was found to be $100,000 or more for all prototypes except for Prototype 3, which is located in the Outer Mission area. (Current sales prices and rents in many of San Francisco's outer neighborhoods are not sufficiently high to support the higher cost of mid-rise construction and generate strong land values, particularly on sites where zoning restrictions significantly limit residential density (such as Prototype 3), which limits the number of units that can be built.) The calculated RLV for the two office prototypes is approximately $130/Building NSF, which is also within current market value range. For most prototypes, RLV ranges between 10 and 20% of development value or condominium sales price (after taking into account the cost of sale), which is also within the typical percentage ranges in development pro formas. For Prototype 3, the RLV is less than 5% of development value, which also indicates some developments in outer neighborhoods may not currently be feasible.

[23] Without predevelopment savings, the difference in RLV is directly attributable to the increase in development impact fees from the TSP, as no offsets to development costs are assumed from CEQA/LOS streamlining.

V. Cost and Time Savings from CEQA / Level of Service Reform

As previously described, the removal of LOS analysis under CEQA reform would eliminate the need for intersection LOS analysis for projects that require a transportation impact study (TIS), which is one of the main drivers of the overall schedule of the environmental review (and subsequently, the development entitlement process). Eliminating the LOS analysis could simplify the transportation analysis and decrease the amount of time spent on environmental review. This study evaluates the potential financial impact of both the direct time and cost savings that some projects may experience as a result of these improvements to the environmental review process from the TSP, as further described below.

A. Direct Time Savings

The time savings that an individual project may experience would vary depending on its level of required environmental review. Under CEQA, there are three major levels of environmental review documents, listed in ascending order of complexity and time required:

1. Exemption (i.e. a Categorical Exemption (Cat Ex) or Community Plan Exemption (CPE))
2. Mitigated Negative Declaration (MND)
3. Environmental Impact Report (EIR)

The level of required environmental review and type of document to be prepared largely depends on the size and scale of the proposed project, its location and whether or not it may benefit from – or be "tiered" from – a previous EIR, such as the City's Housing Element EIR or the Eastern Neighborhoods Area Plan and Rezoning EIR. For example, a Community Plan Exemption (CPE) document can only be prepared for a qualifying project within a plan area that does not result in any new significant impacts or require any new mitigation above and beyond what is analyzed in the Area Plan EIR.

After CEQA/LOS reform is implemented through the TSP, project sponsors may experience two types of potential direct time savings:

1. Time savings associated with not having to do an LOS analysis as part of the Transportation Impact Study.
2. Time savings associated with streamlining the overall environmental review process, with the greatest savings potentially occurring in situations where the level of environmental review for a project can be reduced (for example, a Mitigated Negative Declaration or Exemption instead of an EIR). This latter scenario is somewhat rare and would happen in instances where a project is required to undergo a more extensive level of environmental review solely due to transportation LOS impacts.

Table 4 shows that the potential average time savings due to the removal of the LOS analysis requirement in the overall CEQA document preparation ranges from zero to five months, assuming that this does not change the level of environmental review required.

Greater time savings may be possible in situations where the removal of the LOS analysis results in a lower level of environmental review than would otherwise be required. However, the CEQA review process is just one part of the overall predevelopment timeline, which also includes obtaining land use entitlements and other project approvals. For this reason, the overall project entitlement time savings may not be as great as the potential CEQA time savings.

Table 4. Average CEQA Document Time Savings due to CEQA/LOS Reform[3]

	Average Document Preparation Time		
Type of Environmental Document	**Before CEQA Reform: With LOS Analysis**	**After CEQA Reform: Without LOS Analysis**	**Potential Time Savings**
Community Plan Exemption (CPE)	11 months	6 months	5 months
Mitigated Negative Declaration (MND)	12 months	9 months	3 months
Environmental Impact Report (EIR) – Focused[1]	22 months	18 months	4 months
Environmental Impact Report (EIR) – Full[2]	32 months	32 months	0 months

Source: San Francisco Planning Department, 2014.

Notes:

[1] A "Focused EIR" would include the analysis of select environmental topics (typically four or fewer).

[2] A "Full EIR" would include the analysis of all or most of the environmental topics.

[3] The timeframes in this table assume that the TIS is the most time-consuming background study that is required for a project. If other background studies (such as Historic Resource Evaluation) are required and take longer than the TIS, the timeframes might need to be adjusted. This table shows timeframes from the date an environmental coordinator is assigned to a project.

B. Direct Cost Savings

Currently, the costs associated with environmental review include both Planning Department fees and environmental consultant fees. Planning Department fees include an environmental review fee, which is based on the type of environmental review document and the cost of project construction. Projects that require a transportation impact study must also pay Planning Department and SFMTA transportation study review fees, regardless of whether or not the study includes a LOS analysis.

Environmental review consultants represent an additional cost and are typically retained to prepare the environmental review document and the TIS, if required. Consultant fees vary based on the size and complexity of the project, the type of environmental review document being prepared and whether or not an LOS analysis is required as part of the TIS.[24]

Under CEQA/LOS reform, fee amounts for Planning Department environmental review and SFMTA transportation review will remain the same for projects that do not experience any change in the type of

[24] Based on Planning Department interviews with environmental consultants in 2014, the cost savings associated with the removal of the LOS analysis from the transportation study are estimated to be about 25% of the transportation study costs for all projects, regardless of size.

environmental document required. For instance, a project in an area plan may currently be required to prepare a TIS with a LOS analysis as part of a Community Plan Exemption (CPE). Under the proposed TSP, the project may still need to prepare a CPE, but it would include a simplified TIS without a LOS analysis. The Planning Department and SFMTA transportation fees would remain the same, but the project would benefit from consultant cost savings and time savings from not having to do the LOS analysis. As the environmental review document also incorporates technical analysis from the TIS, the consultant time required to prepare the environmental document would also be reduced, resulting in additional cost savings.

However, a project may experience greater cost savings if the removal of the LOS analysis results in a lesser level of environmental review being required. For instance, if a project no longer requires a focused EIR (which is conducted by environmental consultants) and could be eligible for a CPE (typically prepared in-house by Planning Department staff), the cost savings would be substantial.

C. Indirect Benefits

In addition to these direct benefits, CEQA/LOS reform would also result in greater certainty for project sponsors, as described earlier. As the environmental approvals must be completed prior to project approval hearings, these environmental approvals represent a significant risk to the developer, who must invest time and funds for environmental review of projects that might ultimately be rejected. Thus, any savings in environmental review time and costs can help reduce the pre-entitlement risk taken on by developers. Further, CEQA/LOS reform would simplify and minimize the time spent on environmental review, potentially reducing backlogs for City staff and shortening the predevelopment process for all projects, not just those benefitting from CEQA streamlining due to TSP.

While these indirect economic benefits could be significant to the development community, the financial analysis solely focuses on evaluating the direct time and cost savings in the preparation of the TIS and related CEQA documentation.

D. CEQA Streamlining Benefits for Feasibility Study Prototypes

The CEQA streamlining benefits associated with the implementation of the TSP were identified and analyzed for each of the development prototypes by comparing the scope of the environmental review with and without a LOS analysis. The level of environmental review for each prototype was determined based on the following information for each prototype:

- Project description, including land use, intensity of development, building envelope and project location.
- Environmental constraints associated with the project sites in these areas of the City.
- Programmatic EIRs (typically from area plans) from which the project-level environmental review documents could be tiered (where applicable).
- Planning Department guidelines and standard practices for environmental review as of March 2015.

The Planning Department identified the technical studies that would be required on the topics of transportation[25], air quality, noise, hazardous materials, wind, shadow, archeological resources, geology

[25] The type of transportation study required was based on a calculation of the PM peak-hour automobile trips that would be generated by the development program identified for each prototype.

and historic resources. The level of environmental review was based on the findings typically associated with the conclusions of those studies.

The current level of environmental review for each prototype was then compared to the anticipated level of environmental review and transportation analysis that would be needed with the TSP, assuming no other environmental topic area (such as historic resources) would result in impacts that would cause a more stringent environmental review process.

The potential time and cost savings for each prototype was then estimated by Planning Department staff based on recent environmental review costs incurred for similar projects, in consultation with outside environmental consultants. Table 5 at the end of this Chapter summarizes the type of environmental review document that would be required for each feasibility study prototype with and without LOS reform under TSP. Each of the prototypes except Prototype 5 would require the same type of environmental review document, with and without TSP.

Prototypes 1 through 4 and Prototype 6 are smaller projects that would not currently require a LOS analysis. Therefore, under TSP there is no change to the transportation study or the environmental review process and no environmental review time or cost savings.

Prototypes 7 through 10 are all large projects within area plans and would require LOS analysis, according to current practices, but would not require LOS analysis under TSP.[26] Thus, each of these prototypes experiences a time savings of approximately five months and varied consultant costs savings, both associated with the preparation of a streamlined TIS.

Prototype 5 is a medium-sized project located in the Central Waterfront area of the Eastern Neighborhoods. Based on the project size, the background traffic conditions in the surrounding streets and the level of new development anticipated in the area, a LOS analysis of this project would likely identify a significant unavoidable traffic impact that would trigger the preparation of a focused EIR under current practice. Prototype 5 is unlikely to result in other significant unavoidable impacts; therefore, under the TSP, this project would no longer need to conduct an EIR, resulting in substantial time and cost savings. The combined cost savings of reduced Planning Department fees and consultant fees is approximately $560,000 and the associated time savings is approximately five months.[27]

In summary, this analysis demonstrates the potential variation in potential direct time and cost savings for environmental and transportation review with the TSP for a variety of development types throughout San Francisco, summarized below and in Table 5.

- With TSP, no time or cost savings are anticipated for Prototypes 1 through 4 and Prototype 6, which is primarily attributable to the small-scale of development that each represents.
- Prototype 5 is estimated to potentially receive the most significant level of cost savings with TSP, as the environmental review document would be modified from a CPE and a Focused EIR to a

[26] For the purposes of this analysis, it was assumed that the governing environmental documents would enable this to occur.

[27] Although the change in the scope of the environmental review would reduce the CEQA documentation timeline from 22 months to 6 months (a 16-month time savings), the timeline for the required entitlements could likely only be reduced by 5 months given that some of steps in the technical analysis and the approval process take a certain amount of time and would not be able to be further shortened with TSP. Therefore, a conservative estimate of 5 months of time savings is estimated to occur within the overall predevelopment timeline.

CPE. It would also likely benefit from time savings of 5 months in the predevelopment review process.

- Prototypes 7 through 10 are anticipated to experience more modest cost savings given that their level of environmental review would remain the same under TSP. These prototypes would also likely benefit from time savings of 5 months in the predevelopment review process.

As described above, the projected time and cost savings presented for each prototype assumes that no other type of topic area (such as historic resources) would result in further intensification of environmental review. In order to take into account the possibility that no time or cost savings might occur, the land residual analysis evaluates the financial impact with and without the potential predevelopment time and cost savings that are described in this Chapter.

Table 5. Potential Environmental Review Time and Cost Savings from CEQA/LOS Reform by Prototype

Prototype	Environmental Review Time Savings[1]			Environmental Review Cost Savings[2]		
	Environmental Review Document: TIDF (Existing)	Environmental Review Document: TSP (Proposed)	Predevelopment Period Time Savings[3]	Planning Dept. Environmental Fee Savings	Estimated Consultant Cost Savings	Total Environmental Cost Savings
1. Geary Ave *(small residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
2. Van Ness Ave *(medium residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
3. Outer Mission *(small residential mixed use)*	Class 32 CatEx	Class 32 CatEx	**None**	$0	$0	**$0**
4. Mission *(small residential mixed use)*	CPE	CPE	**None**	$0	$0	**$0**
5. Central Waterfront *(large residential mixed use)*	CPE + Focused EIR	CPE	**5 months**	$386,300	$175,000	**$561,300**
6. East SoMa *(medium residential mixed use)*	CPE	CPE	**None**	$0	$0	**$0**
7. East SoMa *(large office)*	CPE + Focused EIR	CPE + Focused EIR	**5 months[4]**	$0	$95,000	**$95,000**
8. East SoMa *(large residential mixed use)*	CPE	CPE	**5 months[4]**	$0	$25,000	**$25,000**
9. Transit Center *(large residential)*	CPE	CPE	**5 months[4]**	$0	$25,000	**$25,000**
10. Transit Center *(large office)*	CPE	CPE	**5 months[4]**	$0	$50,000	**$50,000**

Source: San Francisco Planning Department, 2014

Note: Numbers rounded to nearest $100.

[1] This assumes that no other type of environmental review (such as historic resources) would result in further intensification of environmental review. As further described in this report, the land residual analysis accounts for an alternative environmental review situation where no time or cost savings would occur, as it evaluates the financial impact with and without the anticipated predevelopment savings from a streamlined CEQA process.

[2] These cost savings do not include potential predevelopment savings associated with lower predevelopment carrying costs due to a shorter entitlement timeline, which is evaluated in the land residual models.

[3] The predevelopment period includes both the environmental review and the entitlement process. Thus, changes to the environmental review timeline may not translate directly to equivalent time savings in the predevelopment period.

[4] Time savings due to dissolution of transportation LOS analysis requirement.

VI. Results From Analysis of Base Case TSF Levels

As described in Chapter IV on methodology, land residual models for ten typical developments were prepared to compare the estimated value of land before and after adoption of the proposed TSP. These development prototypes were chosen to best represent potential developments that might occur in different City neighborhoods, located inside and outside Plan Areas. The first stage of the analysis evaluates the potential financial impact by comparing the RLV under current conditions (referred to as Base Case TIDF) with the Base Case TSF scenario (with the introduction of the TSP, including the addition of fees at the "Base Case TSF" levels and CEQA/LOS reform).[28] Given the variability in key cost factors for real estate development across San Francisco and the challenging development climate that has resulted from the real estate recession followed by rapid price appreciation in recent years, a decrease in RLV of -10% or less with the introduction of the TSP has been chosen as a reasonable indicator of ongoing feasibility.

Non-residential development would experience the least financial impact from TSP, as the Base Case TSF is about the same as the existing TIDF for most land uses. For example, the net increase in the impact fee burden for new office use would be about $.56/GSF, and retail development would experience a slight decrease in fees of about -$0.16/GSF at the Base Case TSF levels. (Please refer back to Table 1 and Chapter III for more information regarding existing and proposed TSF levels.)

With TSP, residential development would be subject to a new development impact fee, which would increase development costs by $6.19/GSF for the Base Case TSF scenario without consideration of fee credits or predevelopment savings. Based on a typical residential unit size of 950 net square feet,[29] this translates to a potential increase in fees for the Base Case TSF scenario of about $7,400 per unit, or about 1-2% of direct construction cost depending on the type of construction and level of fee credits.

CEQA/LOS reform, once adopted, could help offset some of the financial impact of the TSF on new development or create an economic benefit for development. Based on the analysis presented in Chapter V, this streamlining could represent potential predevelopment cost and time savings for larger developments that currently require a transportation study as part of their environmental review in the following ways:

- Reduced City fees related to the current review of transportation studies.
- Reduced costs in professional services related to transportation and environmental analysis during the environmental process.
- Potential for reduced carrying costs (for private capital) on predevelopment expenses resulting from time savings of up to five months in the review process.[30]

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[28] As described in Chapter IV, the Base Case TSF scenario assumes the fee rates in the 2012 Draft TSF Ordinance, adjusted for inflation to 2015 dollars, taking into account the consolidation of non-residential fee categories.

[29] The fee is based on a gross residential square foot basis, and this typical unit size is assumed to be about 1188 GSF based on a typical 80% efficiency for low-rise and mid-rise developments, as indicated by this study. Building area (per gross and net square foot) does not include square footage related to parking.

[30] As described in Chapter IV, this analysis assumes predevelopment costs (including land) are equal to about 5% of development value, and the economic effect of predevelopment time savings is measured by multiplying the estimated predevelopment costs by a 12% annual equity carrying cost times the number of months saved divided by one year (i.e. 5 months/1 year or 42%) resulting in predevelopment savings at about 0.25% of development value, or about $2500 per unit for a condominium development with an average value of $1 million per unit.

Table 6 on the following page summarizes the economic evaluation of the TSP program under the Base Case TSF scenario. As it shows, the residual land values for most of the prototypes range from about 10-20% of revenues, which is consistent with many recent development pro formas that were reviewed for this study.[31] New development may not be currently feasible in City neighborhoods that have below-average price levels and rents, given the high cost of construction relative to potential revenues. The financial analysis indicates that this is the case for Prototype 3.[32] While the imposition of the Base Case TSF will not cause developments similar to Prototype 3 to be infeasible, the TSF further distances these areas from development feasibility as it lowers the potential RLV.

As Table 6 shows, five of the prototypes (due to their development size and location) are not anticipated to receive any CEQA streamlining benefits (Prototypes 1 through 4 and Prototype 6). The remaining five prototypes could potentially benefit from reduced transportation and environmental costs and 5 months in predevelopment time savings, which would lower predevelopment carry costs (Prototypes 5 and 7 through 10). For three of these prototypes (Prototypes 5, 7 and 10), the potential benefits from CEQA streamlining could more than offset the increase in impact fees, and this results in an increase in residual land value when predevelopment savings are assumed to occur (RLV with predevelopment savings). Without predevelopment savings, the RLV decreases for all prototypes, ranging from about -1% to -8%, which is within the -10% feasibility threshold.

As described in Chapter III, about half of new housing units are projected to be developed in larger developments within area plans, some of which may be eligible for a fee credit that would help offset a portion of the financial impact from the TSF. Four of the prototypes are located within area plans that would be eligible for an area plan fee credit for residential development (Prototypes 4, 5, 6 and 8). In summary, the impact on RLV varies among the prototypes depending on the following:

- **Land use**: non-residential prototypes (Prototypes 7 and 10) have the smallest increase in impact fees due to the TSF, as the Base Case TSF is about the same as the TIDF, while residential developments experience the greatest increase in impact fees under the TSP.
- **Environmental review & predevelopment savings**: larger developments could potentially benefit from reduced transportation and environmental costs plus decreased predevelopment carry costs as a result of time savings from CEQA/LOS reform (Prototypes 5 and 7 through 10). These potential financial benefits are modeled in the "with predevelopment savings" scenario, and they are not assumed to occur in the "without predevelopment savings" scenario.

[31] Please refer to Chapter IV and Appendix A for further information regarding the methodology used in this analysis. Revenues are equal to potential sales prices for condominiums or development values for rental property less sales expenses.

[32] The RLV for Prototype 3 is below 5% of total development value and is less than $40,000 per housing unit, which is below the typical asking prices for land in San Francisco and is less than land values for similarly located properties with existing uses. This finding indicates that similar developments in the outer neighborhoods may not generate sufficient development value to enable developers to pay for property at its current market value (particularly considering many infill sites have existing development that is generating rental income) or generate sufficient developer margin to warrant private investment.

Table 6. Summary of Economic Impact of Transportation Sustainability Program Under Base Case TSF Scenario

Prototype	Base Case TIDF		Impact on Residual Land Values (RLV) Under Base Case TSF Scenario								
	Base Case TIDF RLV [a]	Base Case TIDF RLV as % of Revenues	Fee Credit	Base Case TSF Fee Increase (Compared to Existing Fees Under Base Case TIDF) [b]	Predevelopment Savings (Credit)			RLV With Predevelopment Savings		RLV Without Predevelopment Savings	
					Environmental Cost Savings [c]	Time Savings (Predevelopment Carry Savings) [d]	Total Cost Savings [e=c+d]	Base Case TSF RLV [a-b-e]	% Change	Base Case TSF RLV [a-b]	% Change
1. Geary Ave (Small Res. Mixed-use)	$2,050,200	23%	Prior Use	**$69,900**	$0	$0	**$0**	$1,980,300	**(3%)**	$1,980,300	**(3%)**
2. Van Ness Ave (Medium Res. Mixed-use)	$7,017,300	10%	Prior Use	**$458,900**	$0	$0	**$0**	$6,558,400	**(7%)**	$6,558,400	**(7%)**
3. Outer Mission (Small Res. Mixed-use)	$920,600	4%	Prior Use	**$42,400**	$0	$0	**$0**	$878,200	**(5%)**	$878,200	**(5%)**
4. Mission (Small Res. Mixed-use)	$3,140,700	21%	Prior Use, Area Plan	**$23,600**	$0	$0	**$0**	$3,117,100	**(1%)**	$3,117,100	**(1%)**
5. Central Waterfront (Large Res. Mixed-use)	$22,869,100	21%	Prior Use, Area Plan	**$249,900**	($561,000)	($274,900)	**($835,900)**	$23,455,100	**3%**	$22,619,200	**(1%)**
6. East SoMa (Medium Res. Mixed-use)	$6,339,100	14%	Prior Use, Area Plan	**$127,600**	$0	$0	**$0**	$6,211,500	**(2%)**	$6,211,500	**(2%)**
7. East SoMa (Large Office)	$28,722,700	15%	Prior Use	**$122,700**	($95,000)	($479,500)	**($574,500)**	$29,174,500	**2%**	$28,600,000	**(0%)**
8. East SoMa (Large Res. Mixed-use)	$13,678,300	10%	Prior Use, Area Plan	**$639,200**	($25,000)	($331,100)	**($356,100)**	$13,395,200	**(2%)**	$13,039,100	**(5%)**
9. Transit Center (Large Residential)	$25,892,400	8%	None	**$2,059,700**	($25,000)	($769,100)	**($794,100)**	$24,626,800	**(5%)**	$23,832,700	**(8%)**
10. Transit Center (Large Office)	$42,188,700	13%	None	**$205,200**	($50,000)	($824,500)	**($874,500)**	$42,858,000	**2%**	$41,983,500	**(0%)**

Notes: Numbers rounded to nearest $100. Please refer to Chapters III and IV for further information on the prototype assumptions. (Table 3 summarizes the fee calculations for the Base Case TSF and Table 5 presents the environmental cost savings.)

Source: San Francisco Planning Department, 2015.

- **Area Plan fee credits**: residential developments located within certain Area Plans would be eligible for a partial fee credit (Prototypes 4, 5, 6 and 8) equivalent to the transit component of the Area Plan fee.
- **Prior use fee credits**: prototypes with existing buildings would be eligible to receive a fee credit for prior uses, which reduces the level of TIDF, TSF and area plan fees (Prototypes 1 through 8).

The financial analysis indicates that implementation of the proposed TSP at the Base Case TSF would have a modest financial impact on future development feasibility due to the combined effects described above under the potential development scenarios for each prototype:

- The difference in residual land values, with and without predevelopment savings, does not decrease by more than 10% for all prototypes.
- With predevelopment savings as a result of CEQA/LOS reform, residual land values could potentially increase under the TSP by about 2% to 3% where the streamlining benefits more than offset the increase in development costs with the TSP (Prototypes 5, 7 and 10).
    - If a project is currently required to undertake a transportation LOS analysis, the TSP will provide modest economic benefits if the level of environmental review remains the same. (As shown in this study, a transportation LOS analysis is typically required for larger sized developments.) In these cases, the elimination of LOS analysis could reduce consultant costs by $25,000 to $95,000 and result in a time savings of 5 months during the entitlement period, which would potentially decrease predevelopment carrying costs. This scenario applies to four of the ten prototypes (Prototypes 7 through 10) evaluated in this study. For the office prototypes (Prototypes 7 and 10), the combination of consultant cost savings and predevelopment savings could fully offset the impact of the Base Case TSF level.
    - Projects that would be eligible for a lesser level of environmental review as the result of CEQA/LOS reform would achieve the greatest economic benefit. For instance, one of the prototypes studied (Prototype 5) might be eligible for a Community Plan Exemption (CPE) under the TSP, as compared to a Focused Environmental Impact Report (FEIR) under current conditions. This could potentially result in direct cost savings of about $560,000 in environmental consultant/Planning Department fees and predevelopment time savings of 5 months, which could fully offset the impact of the Base Case TSF level.
- Without predevelopment time savings, residual land values are projected to decrease between about 0% to -8% for all prototypes.[33] The greatest decrease in RLV occurs for residential projects located Outside Plan Areas or Inside Plan Areas where fee credits do not substantially offset the TSF (Prototypes 2, 3, 8 and 9).

As described above, the extent of the financial impact will vary depending on land use, whether or not the development is located in a Plan Area, whether it will benefit from the potential predevelopment time and cost savings and the level of fee credits. These findings are generally consistent with the prior (2012) economic analysis of the proposed TSP.

[33] As no offsets to development costs are assumed from CEQA/LOS streamlining, the difference in RLV without predevelopment savings is directly attributable to the increase in development impact fees from the TSP.

VII. Sensitivity Analysis of Alternative TSF Levels

The sensitivity analysis studies the effect of higher TSF levels, modeled at 125%, 150% and 250% of the Base Case TSF levels, which are within the maximum justified fee levels from the 2015 TSF Nexus Study. Table 7 summarizes and compares the fee levels for each scenario with the maximum justified fee amounts. The table indicates that the TSF fee levels evaluated in this sensitivity analysis would range from $6.19 at the Base Case TSF to $15.48/GSF at 250% TSF for residential development and from $14.43 at the Base Case TSF to $36.08/GSF at 250% TSF for non-residential development.

Table 7. TSF Sensitivity Analysis Scenarios (2015 Dollars)

Use	*Base Case TSF ($/GSF)*	*125% TSF ($/GSF)*	*150% TSF ($/GSF)*	*250% TSF ($/GSF)*	*Maximum Justified Fee[1] (not modeled)*
Residential	$6.19	$7.74	$9.29	$15.48	$30.95
Non-residential	$14.43	$18.04	$21.65	$36.08	$87.52
PDR[2]	$7.61	n/a	n/a	n/a	$26.09

Note:
[1] Maximum Justified Fee is not modeled but is presented in the San Francisco Transportation Sustainability Fee Nexus Study (2015).
[2] New development of PDR uses was not analyzed in the feasibility study.

The financial results for each of these sensitivity analysis scenarios are summarized in tables that are presented at the end of this report:

- Table 8 summarizes the results from the sensitivity analysis, as measured by the percentage change in RLV for each of the four alternative TSF levels (Base Case TSF, 125% TSF, 150% TSF and 250% TSF) compared to current conditions without TSP (Base Case TIDF).
- Table 9 summarizes the key prototype characteristics and findings that contribute to the sensitivity analysis results shown in Table 8 and the supporting tables.
- Tables 10.1 through 10.10 present the financial results for each prototype, comparing the total revenues and development costs under current conditions without TSP (Base Case TIDF) to each of the alternative TSF fee scenarios.

A. 125% TSF Scenario

Under the 125% TSF scenario, the TSF would increase by about $1.60/GSF for residential and about $3.60/GSF for non-residential development over the Base Case TSF, without consideration of any predevelopment savings or fee credits. Based on a typical residential unit size of 950 NSF, this translates to a potential increase in impact fees of about $9,200 per unit (or about $8/GSF) as compared to current conditions (Base Case TIDF) or about 1-2% of direct construction cost, depending on the type of construction and whether fee credits apply.

As described in the previous section, the proposed fees for non-residential development under the Base Case TSF scenario are about the same as the fees currently being charged (Base Case TIDF) on new development. Under the 125% TSF scenario, these fees would increase by about $4/GSF over current fee

levels. This would represent a direct construction cost increase of about 1% or less, depending on the type of construction and whether fee credits apply.[34]

The results of the sensitivity analysis indicate that the financial impact on new development for the 125% TSF scenario are similar to the results that were found at the Base Case TSF levels.

- The decrease in residual land values, with and without predevelopment savings, is less than or equal to -10% for all prototypes.
- With predevelopment savings, only Prototype 5 would receive CEQA streamlining benefits that would more than offset the increase in development costs with the TSP (showing a 2% increase in RLV for Prototype 5). The RLV with predevelopment savings for all of the other prototypes decreases by -1% to -8%.
- Without predevelopment savings, the greatest decrease in RLV occurs for residential development where area plan fee credits would not be applied (-10% for Prototype 9 in TCDP), and for residential projects located Outside Plan Areas or Inside Plan Areas where fee credits do not substantially offset the TSF (Prototypes 2, 3 and 8).

B. 150% TSF Scenario

Under the 150% TSF scenario, the TSF would increase by about $3.10/GSF for residential and about $ 7.20/GSF for non-residential development above the Base Case TSF level, without consideration of any predevelopment savings or fee credits.[35] For the majority of prototypes, the change in RLV with and without predevelopment savings is less than 10%. However, two prototypes are more heavily impacted by fees at the 150% TSF level: the change in RLV exceeds -10% for Prototype 2 (with and without predevelopment savings) and for Prototype 9 (without predevelopment savings). Thus, TSF levels at 150% of the Base Case TSF could inhibit development feasibility in some cases, particularly if revenues were not at pace with development costs and fee credits do not substantially offset the TSF.

C. 250% TSF Scenario

Under the 250% TSF scenario, the TSF would increase by about $9.30/GSF for residential and about $21.65/GSF for non-residential development above the Base Case TSF level, without consideration of any predevelopment savings or fee credits.[36] TSF levels at 250% could significantly inhibit development feasibility, as the residual land values for most of the prototypes would decrease by 10% or more, with or without predevelopment savings. These higher TSF levels would not be offset by potential CEQA streamlining benefits for any of the prototypes. This level of impact fee increase would substantially increase development costs and exceed the typical contingency allowances for potential increases in development costs that developers include in their development pro formas.

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[34] As previously described, TSF fee levels for non-residential land uses are proposed to be consolidated. Thus, the fee change differs slightly for retail and office, and non-residential uses are not eligible for area plan fee credits.

[35] Under this 150% TSF scenario, development costs would increase by about $9/GSF for residential and about $8/GSF for non-residential compared to current conditions (Base Case TIDF) without consideration of fee credits or predevelopment savings, or an increase of about 2-3% of direct construction costs depending on the type of construction and whether fee credits apply.

[36] Under this 250% TSF scenario, development costs would increase by about $15/GSF for residential and about $22/GSF for non-residential as compared to current conditions (Base Case TIDF) without consideration of fee credits or predevelopment savings, or an increase of about 4-6% of direct construction costs depending on the type of construction and whether fee credits apply.

VIII. Conclusion

The Transportation Sustainability Program is designed to fund transportation projects to serve new growth and help streamline the transportation component of the City's environmental review process. Overall, the TSF Economic Feasibility Study finds that the TSF does not significantly impact project viability at the Base Case TSF levels or at 125% of Base Case TSF, either with or without the anticipated predevelopment savings. New development in certain neighborhoods in the City that have lower than average price levels and rents may not be currently feasible given the high cost of construction relative to potential revenues. While the TSF itself will not cause these developments to be infeasible, the TSF further distances these areas from development feasibility.

The study also evaluated the impact of potential CEQA/LOS reform on development, which in some cases may partially or fully offset the impact of the TSF. Since transportation is only one of the potential environmental impacts to be analyzed during the environmental review process, the level of predevelopment savings a project will experience depends on whether or not CEQA/LOS reform results in substantial changes to the environmental review required. All projects that currently need to conduct a LOS analysis will experience modest economic benefits after this requirement is eliminated. For some projects, the benefit of CEQA/LOS reform will be more dramatic – in cases where the elimination of LOS analysis means that projects can undergo a lesser level of environmental review (for instance, going from a CPE plus Focused EIR to just a CPE), the potential time and cost savings are substantial.

For developments that do not currently need a transportation study (typically smaller developments), no direct predevelopment cost or time savings would likely occur as a result of CEQA/LOS reform. These developments would not receive a direct economic benefit from the TSP and would be subject to an increased impact fee burden under TSF. However, these types of developments may experience indirect benefits as CEQA/LOS reform may potentially shorten backlogs for City staff and streamline the environmental review process for all projects.

If the city's real estate market were to experience a downturn and future revenue growth is not sufficient to cover construction costs and other development costs, then financial feasibility of new development will become more difficult, and new development will be more sensitive to higher impact fees. For all of these reasons, the study findings indicate that the TSF should be initially established at no more than 125% of the Base Case TSF level.

Table 8. Sensitivity Analysis Evaluating Economic Impact Under Alternative TSF Levels

Prototype	Percentage Impact on Residual Land Values (RLV) as Compared to Base Case TIDF										
	Base Case TIDF (Financial Indicators)			TSF Scenarios With Predevelopment Savings				TSF Scenarios Without Predevelopment Savings			
	Revenues /NSF [1]	RLV/NSF	RLV as % of Revenues	Base Case TSF	125% TSF	150% TSF	250% TSF	Base Case TSF	125% TSF	150% TSF	250% TSF
1. Geary Ave (Small Res. Mixed-use)	$857	$193	23%	(3%)	(4%)	(6%)	(10%)	(3%)	(4%)	(6%)	(10%)
2. Van Ness Ave (Medium Res. Mixed-use)	$922	$97	10%	(7%)	(8%)	(10%)	(16%)	(7%)	(8%)	(10%)	(16%)
3.Outer Mission (Small Res. Mixed-use)	$719	$27	4%	(5%)	(6%)	(7%)	(12%)	(5%)	(6%)	(7%)	(12%)
4. Mission (Small Res. Mixed-use)	$904	$188	21%	(1%)	(1%)	(2%)	(3%)	(1%)	(1%)	(2%)	(3%)
5. Central Waterfront (Large Res. Mixed-use)	$892	$190	21%	3%	2%	2%	(0%)	(1%)	(2%)	(2%)	(4%)
6. East SoMa (Medium Res. Mixed-use)	$913	$130	14%	(2%)	(3%)	(4%)	(8%)	(2%)	(3%)	(4%)	(8%)
7. East SoMa (Large Office)	$855	$130	15%	2%	(1%)	(5%)	(17%)	(0%)	(3%)	(7%)	(19%)
8. East SoMa (Large Res. Mixed-use)	$1,046	$106	10%	(2%)	(4%)	(6%)	(13%)	(5%)	(7%)	(8%)	(16%)
9. Transit Center (Large Residential)	$1,275	$102	8%	(5%)	(7%)	(9%)	(17%)	(8%)	(10%)	(12%)	(20%)
10. Transit Center (Large Office)	$1,030	$134	13%	2%	(2%)	(5%)	(18%)	(0%)	(4%)	(7%)	(20%)

Notes: Please refer to supporting tables 10.1 to 10.10 for a summary of financial results for each prototype and attached appendices for more detailed results.

1. Revenues are equal to potential sales prices for condominiums or development values for rental property less sales expenses and assume compliance with San Francisco's affordable housing policies, as further described in Appendix A.

Table 9. Summary of Findings From TSF Sensitivity Analysis for Each Prototype

Prototype	Summary of Key Prototype Characteristics								Key Contributors to RLV Results Under TSF Sensitivity Scenarios
	Predominant Use	Affordable Housing	Retail	Building Height	Under Base Case TIDF [1]	Area Plan	Fee Credit	Potential Predevelopment Savings from CEQA/LOS Reform	
1. Geary Ave (Small Res. Mixed-use)	Residential Condominium	None	Ground Floor	45 Feet	Strong RLV	None	Prior Use	None	Strong RLV and prior use fee credit helps offset impact of TSF at all fee levels.
2. Van Ness Ave (Medium Res. Mixed-use)	Residential Condominium	Onsite	Ground Floor	80 Feet	Moderate RLV	None	Prior Use	None	While prior use fee credit helps offset impact of TSF, RLV is significantly reduced at 150% and 250% scenarios.
3. Outer Mission (Small Res. Mixed-use)	Residential Condominium	Onsite	Ground Floor	65 Feet	Low RLV (Development not likely feasible)	None	Prior Use	None	While prior use fee credit helps offset impact of TSF, lower revenues in this area coupled with higher, mid-rise construction costs hamper development feasibility.
4. Mission (Small Res. Mixed-use)	Residential Condominium	Onsite	Ground Floor	50 Feet	Strong RLV	Eastern Neighborhoods	Prior Use, Area Plan	None	Strong RLV and fee credits help offset impact of TSF at all fee levels.
5. Central Waterfront (Large Res. Mixed-use)	Residential Rental	Onsite	Ground Floor	65 Feet	Strong RLV	Eastern Neighborhoods	Prior Use, Area Plan	Significant	Strong RLV, predevelopment savings and fee credits help offset impact of TSF at all fee levels.
6. East SoMa (Medium Res. Mixed-use)	Residential Rental	Onsite	Ground Floor	85 Feet	Moderate RLV	Eastern Neighborhoods	Prior Use, Area Plan	None	Fee credits and moderate RLV help offset impact of TSF at all fee levels.
7. East SoMa (Large Office)	Office	Jobs-Housing Linkage Fee	Ground Floor	160 Feet	Moderate RLV	Eastern Neighborhoods	Prior Use	Moderate	Minimal impact at lower TSF levels as non-residential TIDF is close to Base Case TSF levels. TSF levels at 250% significantly reduce RLV.
8. East SoMa (Large Res. Mixed-use)	Residential Condominium	Onsite	Ground Floor	160 Feet	Moderate RLV	Eastern Neighborhoods	Prior Use, Area Plan	Moderate	Predevelopment savings help offset impact, but without predevelopment savings, TSF levels at 250% significantly reduce RLV despite fee credits.
9. Transit Center (Large Residential)	Residential Condominium	Affordable Housing Fee	None	400 Feet	Moderate RLV	Transit Center District Plan	None	Moderate	Predevelopment savings help offset impact, but without predevelopment savings, TSF levels at 150% and 250% significantly reduce RLV.
10. Transit Center (Large Office)	Office	Jobs-Housing Linkage Fee	Ground Floor	400 Feet	Moderate RLV	Transit Center District Plan	None	Moderate	Minimal impact at lower TSF levels as non-residential TIDF is close to Base Case TSF levels. TSF levels at 250% significantly reduce RLV.

Notes: Please refer to supporting tables 10.1 to 10.10 for a summary of financial results for each prototype and attached appendices for more detailed results.

1. Strong RLV indicates values exceeding 15% of revenues, Moderate RLV indicates values between about 5-15% of revenues, and Low RLV indicates values below 5% of revenues.

Table 10.1

Summary Comparison of Results at Alternate Fee Levels
Prototype 1: Geary Small Residential Mixed-use

1: Geary Small Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$7,900,200	$7,900,200	0%	$7,900,200	0%	$7,900,200	0%	$7,900,200	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$7,900,200	$7,900,200	0%	$7,900,200	0%	$7,900,200	0%	$7,900,200	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$870,900	$870,900	0%	$870,900	0%	$870,900	0%	$870,900	0%
Total Revenues	**$8,771,100**	**$8,771,100**	**0%**	**$8,771,100**	**0%**	**$8,771,100**	**0%**	**$8,771,100**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$3,788,400	$3,788,400	0%	$3,788,400	0%	$3,788,400	0%	$3,788,400	0%
Tenant Improvements/Lease Up Costs	$144,000	$144,000	0%	$144,000	0%	$144,000	0%	$144,000	0%
Development Impact Fees/ Other Costs	$64,700	$134,600	108%	$156,800	142%	$179,000	177%	$267,800	314%
Environmental/ Transportation Review	$9,000	$9,000	0%	$9,000	0%	$9,000	0%	$9,000	0%
Construction Financing/ Predev. Carry	$364,300	$364,300	0%	$364,300	0%	$364,300	0%	$364,300	0%
Other Soft Costs	$947,100	$947,100	0%	$947,100	0%	$947,100	0%	$947,100	0%
Total Hard and Soft Costs	**$5,317,500**	**$5,387,400**	**1%**	**$5,409,600**	**2%**	**$5,431,800**	**2%**	**$5,520,600**	**4%**
Developer Margin	$1,403,400	$1,403,400	0%	$1,403,400	0%	$1,403,400	0%	$1,403,400	0%
Total Costs	**$6,720,900**	**$6,790,800**	**1%**	**$6,813,000**	**1%**	**$6,835,200**	**2%**	**$6,924,000**	**3%**
Residual Land Value (RLV)	**$2,050,200**	**$1,980,300**	**(3%)**	**$1,958,100**	**(4%)**	**$1,935,900**	**(6%)**	**$1,847,100**	**(10%)**
Without Predevelopment Savings	***$2,050,200***	***$1,980,300***	**(3%)**	***$1,958,100***	**(4%)**	***$1,935,900***	**(6%)**	***$1,847,100***	**(10%)**
RLV as Percent of Revenues	*23%*	*23%*		*19%*		*19%*		*19%*	
Without Predevelopment Savings	*23%*	*23%*		*19%*		*19%*		*19%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.2

Summary Comparison of Results at Alternate Fee Levels
Prototype 2: Van Ness Medium Residential Mixed-use

2: Van Ness Medium Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$56,819,600	$56,819,600	0%	$56,819,600	0%	$56,819,600	0%	$56,819,600	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$56,819,600	$56,819,600	0%	$56,819,600	0%	$56,819,600	0%	$56,819,600	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$5,740,900	$5,740,900	0%	$5,740,900	0%	$5,740,900	0%	$5,740,900	0%
Total Revenues	**$62,560,500**	**$62,560,500**	**0%**	**$62,560,500**	**0%**	**$62,560,500**	**0%**	**$62,560,500**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$31,216,600	$31,216,600	0%	$31,216,600	0%	$31,216,600	0%	$31,216,600	0%
Tenant Improvements/Lease Up Costs	$808,700	$808,700	0%	$808,700	0%	$808,700	0%	$808,700	0%
Development Impact Fees/ Other Costs	$403,600	$862,500	114%	$977,400	142%	$1,092,300	171%	$1,551,200	284%
Environmental/ Transportation Review	$188,000	$188,000	0%	$188,000	0%	$188,000	0%	$188,000	0%
Construction Financing/ Predev. Carry	$3,235,600	$3,235,600	0%	$3,235,600	0%	$3,235,600	0%	$3,235,600	0%
Other Soft Costs	$7,804,200	$7,804,200	0%	$7,804,200	0%	$7,804,200	0%	$7,804,200	0%
Total Hard and Soft Costs	**$43,656,700**	**$44,115,600**	**1%**	**$44,230,500**	**1%**	**$44,345,400**	**2%**	**$44,804,300**	**3%**
Developer Margin	$11,886,500	$11,886,500	0%	$11,886,500	0%	$11,886,500	0%	$11,886,500	0%
Total Costs	**$55,543,200**	**$56,002,100**	**1%**	**$56,117,000**	**1%**	**$56,231,900**	**1%**	**$56,690,800**	**2%**
Residual Land Value (RLV)	**$7,017,300**	**$6,558,400**	**(7%)**	**$6,443,500**	**(8%)**	**$6,328,600**	**(10%)**	**$5,869,700**	**(16%)**
Without Predevelopment Savings	***$7,017,300***	***$6,558,400***	**(7%)**	***$6,443,500***	**(8%)**	***$6,328,600***	**(10%)**	***$5,869,700***	**(16%)**
RLV as Percent of Revenues	*11%*	*10%*		*10%*		*10%*		*9%*	
Without Predevelopment Savings	*11%*	*10%*		*10%*		*10%*		*9%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.3

Summary Comparison of Results at Alternate Fee Levels
Prototype 3: Outer Mission Small Residential Mixed-use

3. Outer Mission Small Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$21,895,900	$21,895,900	0%	$21,895,900	0%	$21,895,900	0%	$21,895,900	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$21,895,900	$21,895,900	0%	$21,895,900	0%	$21,895,900	0%	$21,895,900	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$1,739,400	$1,739,400	0%	$1,739,400	0%	$1,739,400	0%	$1,739,400	0%
Total Revenues	**$23,635,300**	**$23,635,300**	**0%**	**$23,635,300**	**0%**	**$23,635,300**	**0%**	**$23,635,300**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$13,594,400	$13,594,400	0%	$13,594,400	0%	$13,594,400	0%	$13,594,400	0%
Tenant Improvements/Lease Up Costs	$287,600	$287,600	0%	$287,600	0%	$287,600	0%	$287,600	0%
Development Impact Fees/ Other Costs	$201,100	$243,500	21%	$254,200	26%	$264,800	32%	$307,300	53%
Environmental/ Transportation Review	$27,000	$27,000	0%	$27,000	0%	$27,000	0%	$27,000	0%
Construction Financing/ Predev. Carry	$1,188,000	$1,188,000	0%	$1,188,000	0%	$1,188,000	0%	$1,188,000	0%
Other Soft Costs	$3,398,600	$3,398,600	0%	$3,398,600	0%	$3,398,600	0%	$3,398,600	0%
Total Hard and Soft Costs	**$18,696,700**	**$18,739,100**	**0%**	**$18,749,800**	**0%**	**$18,760,400**	**0%**	**$18,802,900**	**1%**
Developer Margin	$4,018,000	$4,018,000	0%	$4,018,000	0%	$4,018,000	0%	$4,018,000	0%
Total Costs	**$22,714,700**	**$22,757,100**	**0%**	**$22,767,800**	**0%**	**$22,778,400**	**0%**	**$22,820,900**	**0%**
Residual Land Value (RLV)	**$920,600**	**$878,200**	**(5%)**	**$867,500**	**(6%)**	**$856,900**	**(7%)**	**$814,400**	**(12%)**
Without Predevelopment Savings	***$920,600***	***$878,200***	(5%)	***$867,500***	(6%)	***$856,900***	(7%)	***$814,400***	(12%)
RLV as Percent of Revenues	*4%*	*4%*		*4%*		*4%*		*3%*	
Without Predevelopment Savings	*4%*	*4%*		*4%*		*4%*		*3%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.4

Summary Comparison of Results at Alternate Fee Levels
Prototype 4: Mission Small Residential Mixed-use

4: Mission Small Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$13,445,800	$13,445,800	0%	$13,445,800	0%	$13,445,800	0%	$13,445,800	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$13,445,800	$13,445,800	0%	$13,445,800	0%	$13,445,800	0%	$13,445,800	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$1,530,900	$1,530,900	0%	$1,530,900	0%	$1,530,900	0%	$1,530,900	0%
Total Revenues	**$14,976,700**	**$14,976,700**	**0%**	**$14,976,700**	**0%**	**$14,976,700**	**0%**	**$14,976,700**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$6,614,500	$6,614,500	0%	$6,614,500	0%	$6,614,500	0%	$6,614,500	0%
Tenant Improvements/Lease Up Costs	$225,000	$225,000	0%	$225,000	0%	$225,000	0%	$225,000	0%
Development Impact Fees/ Other Costs	$270,000	$293,600	9%	$307,600	14%	$321,500	19%	$377,200	40%
Environmental/ Transportation Review	$11,000	$11,000	0%	$11,000	0%	$11,000	0%	$11,000	0%
Construction Financing/ Predev. Carry	$665,600	$665,600	0%	$665,600	0%	$665,600	0%	$665,600	0%
Other Soft Costs	$1,653,600	$1,653,600	0%	$1,653,600	0%	$1,653,600	0%	$1,653,600	0%
Total Hard and Soft Costs	**$9,439,700**	**$9,463,300**	**0%**	**$9,477,300**	**0%**	**$9,491,200**	**1%**	**$9,546,900**	**1%**
Developer Margin	$2,396,300	$2,396,300	0%	$2,396,300	0%	$2,396,300	0%	$2,396,300	0%
Total Costs	**$11,836,000**	**$11,859,600**	**0%**	**$11,873,600**	**0%**	**$11,887,500**	**0%**	**$11,943,200**	**1%**
Residual Land Value (RLV)	**$3,140,700**	**$3,117,100**	**(1%)**	**$3,103,100**	**(1%)**	**$3,089,200**	**(2%)**	**$3,033,500**	**(3%)**
Without Predevelopment Savings	***$3,140,700***	***$3,117,100***	(1%)	***$3,103,100***	(1%)	***$3,089,200***	(2%)	***$3,033,500***	(3%)
RLV as Percent of Revenues	*21%*	*21%*		*21%*		*21%*		*20%*	
Without Predevelopment Savings	*21%*	*21%*		*21%*		*21%*		*20%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.5

Summary Comparison of Results at Alternate Fee Levels

Prototype 5: Central Waterfront Large Residential Mixed-use

5: Central Waterfront Large Res. MU	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$0	$0	-	$0	-	$0	-	$0	-
Residential Rental	$106,807,000	$106,807,000	0%	$106,807,000	0%	$106,807,000	0%	$106,807,000	0%
Subtotal Residential	$106,807,000	$106,807,000	0%	$106,807,000	0%	$106,807,000	0%	$106,807,000	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$3,126,600	$3,126,600	0%	$3,126,600	0%	$3,126,600	0%	$3,126,600	0%
Total Revenues	**$109,933,600**	**$109,933,600**	**0%**	**$109,933,600**	**0%**	**$109,933,600**	**0%**	**$109,933,600**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$50,999,200	$50,999,200	0%	$50,999,200	0%	$50,999,200	0%	$50,999,200	0%
Tenant Improvements/Lease Up Costs	$450,000	$450,000	0%	$450,000	0%	$450,000	0%	$450,000	0%
Development Impact Fees/ Other Costs	$2,421,400	$2,671,300	10%	$2,777,100	15%	$2,882,700	19%	$3,304,500	36%
Environmental/ Transportation Review	$683,000	$122,000	(82%)	$122,000	(82%)	$122,000	(82%)	$122,000	(82%)
Construction Financing/ Predev. Carry	$4,642,300	$4,367,400	(6%)	$4,367,400	(6%)	$4,367,400	(6%)	$4,367,400	(6%)
Other Soft Costs	$9,179,900	$9,179,900	0%	$9,179,900	0%	$9,179,900	0%	$9,179,900	0%
Total Hard and Soft Costs	**$68,375,800**	**$67,789,800**	(1%)	**$67,895,600**	(1%)	**$68,001,200**	(1%)	**$68,423,000**	**0%**
Developer Margin	$18,688,700	$18,688,700	0%	$18,688,700	0%	$18,688,700	0%	$18,688,700	0%
Total Costs	**$87,064,500**	**$86,478,500**	(1%)	**$86,584,300**	(1%)	**$86,689,900**	**0%**	**$87,111,700**	**0%**
Residual Land Value (RLV)	**$22,869,100**	**$23,455,100**	**3%**	**$23,349,300**	**2%**	**$23,243,700**	**2%**	**$22,821,900**	**0%**
Without Predevelopment Savings	***$22,869,100***	***$22,619,200***	(1%)	***$22,513,400***	(2%)	***$22,407,800***	(2%)	***$21,986,000***	(4%)
RLV as Percent of Revenues	*21%*	*21%*		*21%*		*21%*		*21%*	
Without Predevelopment Savings	*21%*	*21%*		*20%*		*20%*		*20%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.6

Summary Comparison of Results at Alternate Fee Levels

Prototype 6: East SoMa Medium Residential Mixed-use

6: East SoMa Medium Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$0	$0	-	$0	-	$0	-	$0	-
Residential Rental	$40,092,100	$40,092,100	0%	$40,092,100	0%	$40,092,100	0%	$40,092,100	0%
Subtotal Residential	$40,092,100	$40,092,100	0%	$40,092,100	0%	$40,092,100	0%	$40,092,100	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$3,382,800	$3,382,800	0%	$3,382,800	0%	$3,382,800	0%	$3,382,800	0%
Total Revenues	**$43,474,900**	**$43,474,900**	**0%**	**$43,474,900**	**0%**	**$43,474,900**	**0%**	**$43,474,900**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$21,266,900	$21,266,900	0%	$21,266,900	0%	$21,266,900	0%	$21,266,900	0%
Tenant Improvements/Lease Up Costs	$450,000	$450,000	0%	$450,000	0%	$450,000	0%	$450,000	0%
Development Impact Fees/ Other Costs	$1,443,400	$1,571,000	9%	$1,637,100	13%	$1,703,100	18%	$1,966,900	36%
Environmental/ Transportation Review	$119,000	$119,000	0%	$119,000	0%	$119,000	0%	$119,000	0%
Construction Financing/ Predev. Carry	$1,768,300	$1,768,300	0%	$1,768,300	0%	$1,768,300	0%	$1,768,300	0%
Other Soft Costs	$3,828,000	$3,828,000	0%	$3,828,000	0%	$3,828,000	0%	$3,828,000	0%
Total Hard and Soft Costs	**$28,875,600**	**$29,003,200**	**0%**	**$29,069,300**	**1%**	**$29,135,300**	**1%**	**$29,399,100**	**2%**
Developer Margin	$8,260,200	$8,260,200	0%	$8,260,200	0%	$8,260,200	0%	$8,260,200	0%
Total Costs	**$37,135,800**	**$37,263,400**	**0%**	**$37,329,500**	**1%**	**$37,395,500**	**1%**	**$37,659,300**	**1%**
Residual Land Value (RLV)	**$6,339,100**	**$6,211,500**	(2%)	**$6,145,400**	(3%)	**$6,079,400**	(4%)	**$5,815,600**	(8%)
Without Predevelopment Savings	***$6,339,100***	***$6,211,500***	(2%)	***$6,145,400***	(3%)	***$6,079,400***	(4%)	***$5,815,600***	(8%)
RLV as Percent of Revenues	*15%*	*14%*		*14%*		*14%*		*13%*	
Without Predevelopment Savings	*15%*	*14%*		*14%*		*14%*		*13%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.7

Summary Comparison of Results at Alternate Fee Levels

Prototype 7: East SoMa Large Office

7: East SoMa Large Office	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$0	$0	-	$0	-	$0	-	$0	-
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$0	$0	-	$0	-	$0	-	$0	-
Office	$174,558,100	$174,558,100	0%	$174,558,100	0%	$174,558,100	0%	$174,558,100	0%
Retail	$17,231,000	$17,231,000	0%	$17,231,000	0%	$17,231,000	0%	$17,231,000	0%
Total Revenues	**$191,789,100**	**$191,789,100**	**0%**	**$191,789,100**	**0%**	**$191,789,100**	**0%**	**$191,789,100**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$73,265,500	$73,265,500	0%	$73,265,500	0%	$73,265,500	0%	$73,265,500	0%
Tenant Improvements/Lease Up Costs	$19,410,500	$19,410,500	0%	$19,410,500	0%	$19,410,500	0%	$19,410,500	0%
Development Impact Fees/ Other Costs	$14,705,700	$14,828,400	1%	$15,706,700	7%	$16,585,000	13%	$20,095,800	37%
Environmental/ Transportation Review	$979,000	$884,000	(10%)	$884,000	(10%)	$884,000	(10%)	$884,000	(10%)
Construction Financing/ Predev. Carry	$10,831,600	$10,352,100	(4%)	$10,352,100	(4%)	$10,352,100	(4%)	$10,352,100	(4%)
Other Soft Costs	$13,187,800	$13,187,800	0%	$13,187,800	0%	$13,187,800	0%	$13,187,800	0%
Total Hard and Soft Costs	**$132,380,100**	**$131,928,300**	**0%**	**$132,806,600**	**0%**	**$133,684,900**	**1%**	**$137,195,700**	**4%**
Developer Margin	$30,686,300	$30,686,300	0%	$30,686,300	0%	$30,686,300	0%	$30,686,300	0%
Total Costs	**$163,066,400**	**$162,614,600**	**0%**	**$163,492,900**	**0%**	**$164,371,200**	**1%**	**$167,882,000**	**3%**
Residual Land Value (RLV)	**$28,722,700**	**$29,174,500**	**2%**	**$28,296,200**	**(1%)**	**$27,417,900**	**(5%)**	**$23,907,100**	**(17%)**
Without Predevelopment Savings	***$28,722,700***	***$28,600,000***	**0%**	***$27,721,700***	**(3%)**	***$26,843,400***	**(7%)**	***$23,332,600***	**(19%)**
RLV as Percent of Revenues	*15%*	*15%*		*15%*		*14%*		*12%*	
Without Predevelopment Savings	*15%*	*15%*		*14%*		*14%*		*12%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.8

Summary Comparison of Results at Alternate Fee Levels

Prototype 8: East SoMa Large Residential Mixed-use

8: East SoMa Large Res. Mixed-use	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$127,277,500	$127,277,500	0%	$127,277,500	0%	$127,277,500	0%	$127,277,500	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$127,277,500	$127,277,500	0%	$127,277,500	0%	$127,277,500	0%	$127,277,500	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$5,162,500	$5,162,500	0%	$5,162,500	0%	$5,162,500	0%	$5,162,500	0%
Total Revenues	**$132,440,000**	**$132,440,000**	**0%**	**$132,440,000**	**0%**	**$132,440,000**	**0%**	**$132,440,000**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$60,567,200	$60,567,200	0%	$60,567,200	0%	$60,567,200	0%	$60,567,200	0%
Tenant Improvements/Lease Up Costs	$675,000	$675,000	0%	$675,000	0%	$675,000	0%	$675,000	0%
Development Impact Fees/ Other Costs	$3,917,200	$4,556,400	16%	$4,817,200	23%	$5,077,900	30%	$6,119,300	56%
Environmental/ Transportation Review	$144,000	$119,000	(17%)	$119,000	(17%)	$119,000	(17%)	$119,000	(17%)
Construction Financing/ Predev. Carry	$9,179,700	$8,848,600	(4%)	$8,848,600	(4%)	$8,848,600	(4%)	$8,848,600	(4%)
Other Soft Costs	$15,141,800	$15,141,800	0%	$15,141,800	0%	$15,141,800	0%	$15,141,800	0%
Total Hard and Soft Costs	**$89,624,900**	**$89,908,000**	**0%**	**$90,168,800**	**1%**	**$90,429,500**	**1%**	**$91,470,900**	**2%**
Developer Margin	$29,136,800	$29,136,800	0%	$29,136,800	0%	$29,136,800	0%	$29,136,800	0%
Total Costs	**$118,761,700**	**$119,044,800**	**0%**	**$119,305,600**	**0%**	**$119,566,300**	**1%**	**$120,607,700**	**2%**
Residual Land Value (RLV)	**$13,678,300**	**$13,395,200**	**(2%)**	**$13,134,400**	**(4%)**	**$12,873,700**	**(6%)**	**$11,832,300**	**(13%)**
Without Predevelopment Savings	***$13,678,300***	***$13,039,100***	**(5%)**	***$12,778,300***	**(7%)**	***$12,517,600***	**(8%)**	***$11,476,200***	**(16%)**
RLV as Percent of Revenues	*10%*	*10%*		*10%*		*10%*		*9%*	
Without Predevelopment Savings	*10%*	*10%*		*10%*		*9%*		*9%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.9

Summary Comparison of Results at Alternate Fee Levels

Prototype 9: Transit Center Large Residential

9: Transit Center Large Residential	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$307,630,600	$307,630,600	0%	$307,630,600	0%	$307,630,600	0%	$307,630,600	0%
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$307,630,600	$307,630,600	0%	$307,630,600	0%	$307,630,600	0%	$307,630,600	0%
Office	$0	$0	-	$0	-	$0	-	$0	-
Retail	$0	$0	-	$0	-	$0	-	$0	-
Total Revenues	**$307,630,600**	**$307,630,600**	**0%**	**$307,630,600**	**0%**	**$307,630,600**	**0%**	**$307,630,600**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$132,220,000	$132,220,000	0%	$132,220,000	0%	$132,220,000	0%	$132,220,000	0%
Tenant Improvements/Lease Up Costs	$0	$0	-	$0	-	$0	-	$0	-
Development Impact Fees/ Other Costs	$22,389,200	$24,448,900	9%	$24,964,700	12%	$25,480,400	14%	$27,540,200	23%
Environmental/ Transportation Review	$149,000	$124,000	(17%)	$124,000	(17%)	$124,000	(17%)	$124,000	(17%)
Construction Financing/ Predev. Carry	$26,246,300	$25,477,200	(3%)	$25,477,200	(3%)	$25,477,200	(3%)	$25,477,200	(3%)
Other Soft Costs	$33,055,000	$33,055,000	0%	$33,055,000	0%	$33,055,000	0%	$33,055,000	0%
Total Hard and Soft Costs	**$214,059,500**	**$215,325,100**	**1%**	**$215,840,900**	**1%**	**$216,356,600**	**1%**	**$218,416,400**	**2%**
Developer Margin	$67,678,700	$67,678,700	0%	$67,678,700	0%	$67,678,700	0%	$67,678,700	0%
Total Costs	**$281,738,200**	**$283,003,800**	**0%**	**$283,519,600**	**1%**	**$284,035,300**	**1%**	**$286,095,100**	**2%**
Residual Land Value (RLV)	**$25,892,400**	**$24,626,800**	(5%)	**$24,111,000**	(7%)	**$23,595,300**	(9%)	**$21,535,500**	(17%)
Without Predevelopment Savings	***$25,892,400***	***$23,832,700***	(8%)	***$23,316,900***	(10%)	***$22,801,200***	(12%)	***$20,741,400***	(20%)
RLV as Percent of Revenues	*8%*	*8%*		*8%*		*8%*		*7%*	
Without Predevelopment Savings	*8%*	*8%*		*8%*		*7%*		*7%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Table 10.10

Summary Comparison of Results at Alternate Fee Levels

Prototype 10: Transit Center Large Office

10: Transit Center Large Office	Base Case TIDF	Base Case TSF	% Change from Base	125% TSF	% Change from Base	150% TSF	% Change from Base	250% TSF	% Change from Base
Revenues									
Residential For-Sale	$0	$0	-	$0	-	$0	-	$0	-
Residential Rental	$0	$0	-	$0	-	$0	-	$0	-
Subtotal Residential	$0	$0	-	$0	-	$0	-	$0	-
Office	$319,920,700	$319,920,700	0%	$319,920,700	0%	$319,920,700	0%	$319,920,700	0%
Retail	$9,881,600	$9,881,600	0%	$9,881,600	0%	$9,881,600	0%	$9,881,600	0%
Total Revenues	**$329,802,300**	**$329,802,300**	**0%**	**$329,802,300**	**0%**	**$329,802,300**	**0%**	**$329,802,300**	**0%**
Hard and Soft Costs									
Hard Construction Costs	$127,821,800	$127,821,800	0%	$127,821,800	0%	$127,821,800	0%	$127,821,800	0%
Tenant Improvements/Lease Up Costs	$32,030,000	$32,030,000	0%	$32,030,000	0%	$32,030,000	0%	$32,030,000	0%
Development Impact Fees/ Other Costs	$30,290,600	$30,495,800	1%	$31,884,600	5%	$33,273,300	10%	$38,824,600	28%
Environmental/ Transportation Review	$249,200	$199,200	(20%)	$199,200	(20%)	$199,200	(20%)	$199,200	(20%)
Construction Financing/ Predev. Carry	$21,445,700	$20,621,200	(4%)	$20,621,200	(4%)	$20,621,200	(4%)	$20,621,200	(4%)
Other Soft Costs	$23,007,900	$23,007,900	0%	$23,007,900	0%	$23,007,900	0%	$23,007,900	0%
Total Hard and Soft Costs	**$234,845,200**	**$234,175,900**	**0%**	**$235,564,700**	**0%**	**$236,953,400**	**1%**	**$242,504,700**	**3%**
Developer Margin	$52,768,400	$52,768,400	0%	$52,768,400	0%	$52,768,400	0%	$52,768,400	0%
Total Costs	**$287,613,600**	**$286,944,300**	**0%**	**$288,333,100**	**0%**	**$289,721,800**	**1%**	**$295,273,100**	**3%**
Residual Land Value (RLV)	**$42,188,700**	**$42,858,000**	2%	**$41,469,200**	(2%)	**$40,080,500**	(5%)	**$34,529,200**	(18%)
Without Predevelopment Savings	***$42,188,700***	***$41,983,500***	0%	***$40,594,700***	(4%)	***$39,206,000***	(7%)	***$33,654,700***	(20%)
RLV as Percent of Revenues	*13%*	*13%*		*13%*		*12%*		*10%*	
Without Predevelopment Savings	*13%*	*13%*		*12%*		*12%*		*10%*	

Note: Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendices

- Appendix A: Methodology and Sources
- Appendix Tables A-1 through A-10: Summary Results by Prototype
- Appendix Tables B-1 through B-10: Summary Financial Pro Forma by Prototype
- Appendix Tables C-1 through C-2: Development Revenue and Cost Assumptions by Prototype

Appendix A: Methodology and Sources

This appendix summarizes the methodology and sources used to evaluate the potential impact of the proposed Transportation Sustainability Program (TSP) on prototypical development types (prototypes) commonly found in San Francisco. As described in the main body of the report, a land residual analysis was performed to evaluate how the proposed Transportation Sustainability Fee (TSF) would increase development costs and affect overall development feasibility, as measured by changes in residual land value (RLV). This analysis also examines and models the potential economic benefits of streamlining the City's environmental review process as a result of California Environmental Quality Act (CEQA)/Level of Service (LOS) reform, which could result in predevelopment time and cost savings.

The financial analysis evaluates each prototype assuming that predevelopment cost and time savings would or would not occur as a result of TSP (with and without predevelopment savings). This reflects the possibility that no CEQA streamlining could occur if another type of environmental topic area (such as historic resources) would result in further intensification of environmental review.

Working in close collaboration with City staff, Seifel performed the following steps, each of which is further described below:

A. Selection of Prototypes
B. Preparation of Residual Land Value (RLV) Models
C. Overview of Development Assumptions for RLV Analysis
D. Information Sources

The following tables are included within this appendix and present the financial results for each prototype and the key development assumptions for each prototype used in the analysis:

- Appendix Tables A-1 through A-10 present the summary results for each prototype.
- Appendix Tables B-1 through B-10 present the summary financial pro forma for each prototype.
- Appendix Tables C-1 through C-2 present the development revenue and cost assumptions for each prototype.

A. Selection of Prototypes

A variety of prototypical development types (prototypes) were evaluated for potential inclusion in the study, based on a review of development pipeline data and an analysis of infill sites that may be suitable for development (that are either currently vacant or with existing buildings that are 1-2 stories tall). Based on a comprehensive analysis of prototypical projects, 10 prototypes were selected for analysis, representing a variety of lot sizes, building heights, development sizes, land use, zoning designations and locations. Eight of these prototypes are residential (seven of which are mixed-use with retail on the ground floor) and two are office prototypes (each with retail on the ground floor). Chapter IV of this report summarizes the key characteristics of each of these prototypes.

1. Definition of Development Program

A customized development program for each prototype was developed based on a typical site within a geographic area, which is considered to be generally representative of development opportunities in

that area.[1] The lot size and an assumed zoning designation were used to a) calculate the potential building envelope, b) define what would likely be built on the ground floor and on the upper floors, c) determine the likely location and number of parking spaces (including the potential use of stackers) and d) estimate gross and net building square footage, after taking account for key building requirements, including rear and/or side yard set backs that reduce the building footprint and vertical building step backs that reduce floor plates as the building increases in height. A brief overview of the prototypical building types, building efficiencies and parking is summarized below.

a. Building/Construction Type

Five building types, organized by height and construction type, encompass the majority of developments being built in San Francisco, and two prototypes were analyzed for each of these five building types:

- **Low-Rise 40-58 Feet:** Has the greatest geographic presence throughout the City and the greatest variety in size of development. Most Low-Rise development is residential, ranging from small projects with 5 or fewer units to large, 200-unit projects. Residential mixed-use Prototypes 1 and 4 represent this type of construction.
- **Mid-Rise 65-68 Feet:** Has become more prevalent in the City, particularly in the easternmost neighborhoods that are in Area Plans. Development for this building type is predominately residential (typically with 20 units or more) but some smaller office buildings are being built at this height. Residential mixed-use Prototypes 3 and 5 represent this type of construction.
- **Mid-Rise 80-85 Feet:** Has also become more prevalent in the easternmost neighborhoods. Development for this building type is predominately residential (typically with 50 units or more) but some smaller office buildings are being built at this height. Residential mixed-use Prototypes 2 and 6 represent this type of construction.
- **High-Rise 120-160 Feet:** Primarily allowed in the downtown, eastern SoMa and Mission Bay areas, and both office and residential buildings are being developed at this height. Office Prototype 7 and residential mixed-use Prototype 8 represent this type of construction.
- **High-Rise Above 240 Feet:** Only allowed in a few neighborhoods, primarily in the financial district and eastern SoMa areas. Residential Prototype 9 and office Prototype 10 represent this type of construction, both assumed to be located in the Transit Center District Plan Area.

b. Building Efficiency

Building efficiency refers to the percentage of building square footage that is sellable or rentable (net square footage or NSF) as compared to overall gross building square feet (GSF), reflecting a deduction for common area space such as lobbies, hallways and community spaces. Smaller projects tend to have lower efficiencies due to the high proportion of common area, and high-rise projects also tend to have lower efficiencies due to life safety measures and slim building profiles. Building efficiencies range from 73 percent (%) to 80% for the residential prototypes, with high-rise construction being the least efficient. Building efficiencies for the office prototypes range from 83% to 90%.[2]

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[1] Although soft sites were analyzed in order to develop and test key development assumptions related to development capacity, the prototypes are designed to generally reflect what may be developed within each area (e.g. Prototype 1 reflects what might be prototypically developed along Geary Avenue).

[2] For the purposes of this analysis, the calculated building efficiencies were used to represent the leasable square footage for both residential and office uses. In the case of office, this is likely a conservative assumption as often a portion of common area, such as bathrooms, are included within the leasable area that is used to calculate the rent a tenant must pay. Based on a review of the development pro formas and discussions with office developers, the assumed efficiencies are within the range of what is typically being used by developers.

c. Parking

Building heights, the number of units and the applicable zoning requirements for parking affect the overall amount of parking provided and parking related construction costs. In order to best represent the variety of parking development options currently being utilized, the prototypes include parking that is constructed at-grade (podium parking) and below grade (underground parking). In recent years, developers have been increasingly using mechanical lift equipment that enables multiple parking spaces to be located in the same parking space footprint, referred to as parking "stackers." In addition, the ratio of parking spaces per unit/SF has decreased over the past decade as a result of changes in City zoning, as well as changes in consumer preference and development feasibility.

Based on these factors, only the Low-Rise Residential Mixed-Use Prototypes 1 and 4 have a parking ratio of 1.0 parking space per unit with the remaining residential prototypes having parking ratios ranging from 0.5 to 0.75 parking spaces per unit. Given their assumed zoning, parking square footage in the two office prototypes is limited to 7% of the gross floor area.

B. Preparation of Residual Land Value (RLV) Models

The residual land value (RLV) is the difference between what a developer expects to receive in revenues, (e.g., sale of condominium units after taking into account sales related expenses) less all costs associated with developing the buildings (e.g., predevelopment costs, hard construction costs, financing, developer overhead, marketing/sales costs, other soft construction costs and developer margin or return). Land residual models for each prototype were created to compare the potential financial impact on RLV of the TSF at various fee levels under two underlying economic benefit scenarios: with and without predevelopment savings from CEQA/LOS reform.

In summary, the RLV is calculated using the following formula, which represents a static basis for determining project feasibility:

Revenues (based on sales prices for condominiums or development value for rental property less sales-related costs)

Less: Basic Development Costs (including hard construction, tenant improvements, development impact fees, other development related costs, financing and other soft costs)

Less: Developer Margin (which represents the margin (or return) that needs to be achieved in order for the project to be considered potentially feasible by the development community)

= Residual Land Value

C. Overview of Development Assumptions for RLV Analysis

The next four sections describe how the revenues, basic development costs, developer margin and RLV were projected for each prototype. Appendix Tables C-1 and C-2 present the key development assumptions used to analyze each prototype.

Sensitivity analysis was performed during 2014 and 2015 on various development assumptions, and the RLV results were compared to data on land sales comparables in order to inform the analysis presented in the appendix tables. These findings are considered to be generally representative of real estate feasibility given a long-range view of real estate cycles in San Francisco.

1. Revenues

Development revenues were developed based on a review of market data for condominium sales and for apartment, office and retail rental property in San Francisco, interviews with developers and market professionals, as well as a review of numerous developer pro formas. The Concord Group, Polaris Pacific, The Mark Company and RealAnswers (formerly RealFacts) were key sources of market data for residential products, while CBRE, Colliers International and DTZ Retail Terranomics were key sources of market data for office and retail products. While many economists project continued growth in sales values and rental rates in the coming years, development revenues for the financial analysis are based on Winter 2014/Spring 2015 market values and have not been trended upwards to reflect improving future market conditions. Revenues are equal to potential sales prices for condominiums or development values for rental property less sales expenses, as further described below.[3]

a. Condominium

Condominium sales prices vary based on location, amenities associated with the building and whether or not units have a view premium. (Buildings with higher heights generally command higher prices due to potential view premiums.) Sales prices for each development prototype are based on anticipated sales value per net square foot for a typical new development of comparable height and target market for each neighborhood where the prototype is located. Condominium market sales prices range from $850/NSF (mid-rise, outer neighborhoods) to $1350/NSF (high-rise in the TCDP). All but one (Prototype 9, which is a high-rise in the TCDP) of the residential condominium prototypes are assumed to provide below market rate (BMR) housing units on-site, affordable to households at 90% Areawide Median Income (at a BMR purchase price of about $286,000). No parking revenues are assumed from condominium units.

b. Apartment

Residential rental revenues for apartments are based on the potential market value for each rental prototype based on stabilized net operating income (NOI) divided by a market capitalization rate. NOI equals gross income from the rental of apartments and parking spaces, less a vacancy allowance of 5% and less operating expenses, which are estimated at 30% of rental revenues. Capitalization rates are assumed at 4.5%, which is 0.5% above the current going in cap rate for San Francisco Class A multifamily developments, according to Integra Realty Resources (IRR) Viewpoint 2015. This cap rate cushion is used for all three rental prototypes and takes into account potential changes in interest rates and measures of risk by the investment community.

The monthly rental rate for the rental prototypes is assumed to range from $5.50/NSF to $5.75/NSF ($66/NSF to $69/NSF per year) based on market comparables for institutional grade properties in the eastern neighborhoods where most new apartments are located (the two residential rental Prototypes 4 and 5 are located in the eastern neighborhoods). All of the apartment prototypes are assumed to provide below market rate (BMR) housing units on-site, affordable to households at 55% Areawide Median Income (at a BMR monthly rent of $1139). Parking revenues are assumed to be $350 per space per month based on discussions with developers and pro forma review.

[3] Although soft sites were analyzed in order to develop and test key development assumptions, potential revenues for each prototype are designed to generally reflect potential prices and rents within the broader geographic areas and were also tested against minimum development feasibility thresholds provided by the development community.

c. Office

Office revenues are based on the potential market value for office based on stabilized net operating income (NOI) divided by a market capitalization rate. Given the significant demand from larger, technology-oriented tenants, pro formas for office developments are now more commonly using triple net rents (NNN) or something akin to modified gross (MG) rather than full service (FS) rents to calculate NOI. For purposes of this analysis, the following assumptions are made based on interviews with office developers and a review of pro formas for downtown office buildings submitted in response to the Transbay Joint Powers Authority developer solicitations.

Office NOI equals gross income from rents and parking spaces. Office NOI is calculated based on eastern SoMa and downtown office rents ranging from $54/NSF to $66/NSF per year less a vacancy allowance of 10% and less landlord operating expenses/contingency at 10% of rental revenues. (NOI ranges from $43/NSF to $53/NSF.) Parking revenues are assumed to be $450 per space per month with parking operating expenses at 30% of parking revenues. Capitalization rates are assumed at 5%, which is 0.5% above the current going in cap rate for San Francisco Class A CBD office, according to IRR Viewpoint 2015.

d. Retail

Retail revenues are based on the potential market value for office based on stabilized net operating income (NOI) divided by a market capitalization rate. Similar NOI equals gross income from rents and parking spaces, less a vacancy allowance of 5% and less operating expenses, which are estimated at 30% of rental revenues.

Retail rental rates range from $4.00/NSF to $5.00/NSF ($48/NSF to $60/NSF per year), which recognizes that some developments are likely to occur in areas that do not currently have established retail districts, and developers may need to incentivize occupancy with free rent or tenant improvement concessions. Retail NOI is calculated based on these rents less a vacancy allowance of 10% and less landlord operating expenses/contingency at 10% of rental revenues. (NOI ranges from $38/NSF to $48/NSF.) Monthly parking revenues range from $100 to $150 per space, with parking operating expenses at 30% of parking revenues, reflecting the fact that retail parking revenues are not anticipated to represent a significant source of income. Capitalization rates are assumed at 6%, which is 0.5% above the current going in cap rate for San Francisco Class A neighborhood retail according to IRR Viewpoint 2015.

e. Sales Expenses

Sales expenses include brokerage fees and City transfer taxes, and these expenses are deducted from the sales and rental revenue proceeds in order to generate net development revenues for the financial analysis. Transfer taxes are based on the City's transfer tax schedule, which is calculated according to building value, and are assumed to be paid by the developer. All of the condominium prototypes are assumed to have sales expenses equal to 5.5% of sales price, representing an allowance for sales related expenses and transfer tax. Office and apartment prototypes are assumed to have sales expenses equal to 3.5% percent of sales price, representing an allowance for transfer tax and brokerage fees. Sales expenses for retail space are assumed to be the same as the major land use type for each prototype, i.e. if retail is located on the ground floor of an apartment building, the sales expenses are equal to 3.5% of sales price.

2. Development Costs

Development costs consist of five key categories: hard construction costs and tenant improvements (collectively referred to as direct costs); development impact fees and other costs; environmental and transportation review costs; construction financing; and other soft costs. Land costs are calculated based on the RLV, as described above. Direct construction costs represent the majority of development costs.[4]

a. Direct Construction Costs

Direct construction costs include hard construction costs related to building, parking and site work (including general contractor overhead, profit and general conditions) plus tenant improvements. As the type and location of parking varies significantly across building types, parking hard construction costs are estimated separately from the hard construction costs for the residential, retail and/or office components. The parking costs were then added to the hard construction costs for each land use by prototype and compared with developer pro formas and contractor estimates for projects in this building type, as well as information on construction costs provided by the San Francisco Department of Building Inspection. These costs were also compared to the residential construction cost estimates assembled for the Mayor's Office of Housing in 2012, and the costs were found to be generally consistent, after taking into account an inflationary adjustment of 15-20% since 2012, reflecting the rapid increase in construction costs over the past three years.

Tenant improvements are assumed to be the landlord or developer's share of what is required to be installed in order to accommodate occupancy by retail and/or office tenants. The following costs for each building and land use type were developed based on interviews with a range of developers and general contractors, recent development pro formas and information on construction costs provided by the San Francisco Department of Building Inspection.

Hard Construction Cost Contingency

- A 10% contingency was added to all hard construction cost estimates, including parking.

Parking Hard Construction

- Podium Parking (at-grade or partially below grade at $120/GSF of Parking Area).
- Underground Parking (1 level below grade at $140/GSF of Parking Area).
- Underground Parking (2 level below grade at $160/GSF of Parking Area).
- Stackers (assumes puzzle stackers at cost of $15,000 per space for parking lift system plus additional costs related to mechanical and electrical systems, plus site accommodations).

Residential Hard Construction

- **Low-Rise 40-58 Feet:** Type V over Type I podium construction at $240/GSF to $260/GSF of Residential Area.[5]
- **Mid-Rise 65-68 Feet:** Type III/Modified Type III construction at $270/GSF of Residential Area.
- **Mid-Rise 80-85 Feet:** Type I construction at $300/GSF of Residential Area.

[4] Development cost information was provided by the San Francisco Department of Building Inspection and a range of real estate professionals, including developer members of the Urban Land Institute, SPUR and San Francisco Housing Action Coalition, as well as general contractors (including Webcor, Cahill, Swinerton and Build GC).

[5] This construction cost range assumes construction labor at prevailing wages and takes into account the fact that there may be site constraints, such as the need for pilings. The two low-rise prototypes have different heights and significantly different unit sizes as well as potential site conditions, given their locations. Citywide, low-rise developments may be able to achieve greater efficiencies and have significantly lower costs for wood frame development.

- **High-Rise 120-160 Feet:** Type I construction at $320/GSF of Residential Area (reflects added life safety requirements plus construction premium for smaller sized upper floors).
- **High-Rise Above 240 Feet:** Type I construction at $340/GSF of Residential Area (reflects added life safety requirements plus construction premium for additional smaller sized upper floors).

With parking construction costs, direct construction costs for the residential prototypes (including ground floor retail and associated tenant improvements) range from $290/GSF to $400/GSF, or between about $380/NSF to $550/NSF.

According to interviews with general contractors and developers, condominiums typically cost about 5% or more per square foot of residential building area than apartments because they have higher finishes and amenities, and some of this additional cost may be recaptured during the sales process as unit upgrades. Rental units are typically smaller in size than condominium developments and therefore typically cost more per square foot due to the higher ratio of kitchen and bathrooms to overall square footage. Based on reviewing numerous developer pro formas for both condominium and rental units, the above construction costs are assumed to be within the range of current construction costs for both condominium and rental units. In addition, as separately noted below, a contingency allowance of 10% is added to these costs to reflect the preliminary nature of these estimates.

Retail Hard Construction and Tenant Improvements

- **Retail on Ground Floor:** Podium construction at $225/GSF plus landlord paid Tenant Improvements at $100/NSF

Office Hard Construction and Tenant Improvements

- **High-Rise 160 Feet:** Type I construction with added life safety requirements at $250/GSF plus landlord paid tenant improvements at $85/NSF)
- **High-Rise 400 Feet:** Type I construction with added life safety requirements at $300/GSF, which takes in to account significant building step backs on the upper floors that translates to higher costs per GSF on upper floors, plus landlord paid tenant Improvements at $85/NSF)

With parking construction costs and contingency, hard construction costs for the office prototypes range from about $290/GSF to $330/GSF. With ground floor retail and associated tenant improvements, direct construction costs for the office prototypes range from $400/NSF to $500/NSF.

b. Development Impact Fees/Other Costs

Development impact fees and other costs include water and wastewater capacity fees, school fees, citywide and area plan specific impact fees and are calculated based on the 2014 Planning Department Fee Schedule. All but one prototype assumes the onsite provision of affordable housing; High-Rise Prototype 9 assumes the payment of an affordable housing fee. The two office prototypes, as well as ground floor retail uses, include the payment of a jobs-housing linkage fee.

For each prototype, the model assumes a variable level of development impact fees under the following scenarios:

- Base Case TIDF, which reflects current conditions without implementation of the TSP and continuation of TIDF.

- Base Case TSF, which assumes the TSP is implemented and assumes TSF fee rates based on the 2012 Draft TSF Ordinance Levels.[6]
- Sensitivity analysis at three alternative fee levels at 125%, 150% and 250% of Base Case TSF.

Where applicable, area plan and prior use fee credits were calculated and credited in the model of each TSF scenario.

Prototypes 9 and 10 are located in the Transit Center District Plan and are assumed to be part of its Mello Roos Community Facilities District. For Prototype 9, which is a residential condominium, the developer is assumed to pay the Mello Roos special tax starting at Certificate of Occupancy until the units are sold and then the homeowners would fully assume the annual special tax burden. For Prototype 10, the developer or landlord is also assumed to pay the Mello Roos special tax starting at Certificate of Occupancy until the office is leased. Upon lease-up, the landlord is assumed to either pass the special tax on to the tenants through a NNN lease or incorporate the special tax into its operating expenses (the operating expense allowance of $6.60/NSF would more than cover the $4.36/SF Mello Roos special tax for a 30 story office building).

c. Environmental and Transportation Review Costs

As described in Chapter V, City staff documented the level of environmental review and associated costs that would likely be currently required (i.e. before consideration of the TSP or Base Case TIDF) and what would be required with the adoption of the TSP (Base Case TSF). Then, the potential costs and time spent on environmental review for each of these prototypes was compared under these two cases in order to understand the potential direct economic benefits from the adoption of the TSP. The analysis also analyzes each prototype with and without predevelopment savings, which takes into account the possibility that no CEQA streamlining could occur if another type of environmental topic area (such as historic resources) would result in further intensification of environmental review.

d. Construction Financing and Predevelopment Carry Savings

Construction financing typically represents the major source of capital that pays for development costs during construction. Construction terms vary depending on market conditions, developer financial capacity, developer track record and the construction lender. The construction interest rate is assumed at 5.5% for all prototypes with a loan fee of 1-1.25%, depending on loan size. The loan amount is based on about a 60-65% loan to development cost (considered to be approximately equal to a 50% loan to value) at an average outstanding balance of 60% of development costs. The term of the construction loan is directly related to project timing, as the construction loan is the primary source of capital during the construction and absorption phase (sales for condominiums and lease-up for rentals).

The construction period for each prototype increases according to development size and complexity: with construction on the small residential projects assumed to occur in 18 months, construction on medium sized projects assumed at 21 months, and construction on the larger and high-rise developments taking 24-30 months. Absorption for each prototype is based on recent market trends and interviews with developers, with average unit absorption per month for condominiums ranging from about 2 (for small developments) to 9 (for 100-200 unit developments) and 20 units per month for apartments. Office absorption is assumed to average 200,000-250,000 square feet per year, with a small amount of pre-leasing assumed for office, retail and apartments.

[6] As described in Chapter III, the Base Case TSF scenario assumes the fee rates in the 2012 Draft TSF Ordinance, adjusted for inflation to 2015 dollars, taking into account the consolidation of non-residential fee categories.

As described in the main body of the report, predevelopment time savings due to CEQA/LOS reform are considered to reduce private carrying costs related to those developments that may benefit from CEQA streamlining. Consistent with the prior 2012 analysis, the study assumes predevelopment costs (including land) are equal to about 5% of development value (typically within a range of 5-15% of development value or total development cost according to the Urban Land Institute).[7]

Predevelopment cost savings are measured by multiplying these estimated predevelopment costs by a 12% annual equity carrying cost (conservative assumption as equity during entitlement period typically achieves a higher return threshold) times the number of months saved divided by one year (i.e. 5 months/1 year):[8]

5% of revenues multiplied by 12% carrying cost multiplied by 42% (5/12 months) = .252% of revenues

While predevelopment costs vary by development (e.g. whether land is purchased up front or purchased at the end of an option period, with option payments made in the interim, and the extent of upfront predevelopment costs), this estimate is considered to be generally representative of a potential predevelopment carry scenario.

e. Other Soft Costs

Other soft costs include all other indirect construction costs such as architectural design, engineering, legal fees, building permit fees, marketing and other sales/leasing related development costs. These costs are calculated as a percentage of hard construction costs based on a review of pro formas and interviews with developers and real estate professionals. Other soft costs for the residential condominium prototypes are assumed at 25% of hard construction costs while rental prototypes (both residential and commercial) that have less extensive sales and marketing costs are assumed at 18% of hard construction costs.

3. Developer Margin

Developers, lenders and investors evaluate and measure returns in several ways. Based on input from real estate developers, equity investors and lenders, and discussions with City staff, developer margin is measured in the following ways.

- Residential: Target developer margin, as measured by return on development cost and return on net sales price for condominiums:
  - **Low-Rise 40-58 Feet:** 15-20% return on total development cost (assumed at 19% return on development cost, or 16% threshold for return on net sales for condominiums)
  - **Mid-Rise 65 Feet:** 20-22% on total development cost (assumed at 21% return on development cost, or 17% threshold for return on net sales for condominiums)
  - **Mid-Rise and High-Rise, 80-160 Feet:** 22-24% on total development cost (assumed at 23% return on development cost, or 19% threshold for return on net sales for condominiums)
  - **High-Rise above 240 Feet:** 28-30% on total development cost (assumed at 29% return on development cost, or 22% threshold for return on net sales for condominiums)

[7] Refer to Chapters 2 and 3, Finance for Real Estate Development, Charles Long, Urban Land Institute, 2011.

[8] Conceptually, this means a five month time savings would translate to predevelopment savings of about $2,520/unit for a typically priced $1,000,000 condominium, which is approximately equal 0.5% of direct construction costs.

- Office: Target developer margin as measured by return on development cost at 19% or 16% on return on net value. (These returns take in to account the size and scale of development, as well as the building's long term cash flow potential.)
- Retail: Target returns in mixed-use projects are assumed to be the same as the predominant land use.

For rental property, typically the more important static return measure is referred to as Yield to Cost or Return on Cost, which is measured based on Net Operating Income (NOI, equal to rental income less vacancy less operating expenses) divided by total development costs. The target Yield (Return) on Cost for apartments in San Francisco is 5-7% while office return thresholds range between 6-7%, based on a review of project pro formas and discussions with developers and equity investors.

4. Residual Land Value (With and Without Predevelopment Savings)

As described above, the residual land value (RLV) is the difference between what a developer expects to receive in revenues less all costs associated with developing the buildings. Land residual models for each prototype were created to compare the potential financial impact on RLV of the TSF at various fee levels and under two underlying economic benefit scenarios: with and without predevelopment savings from CEQA/LOS reform. In summary, the Residual Land Value (RLV) is calculated using the following formula, which represents a static basis for determining project feasibility:

Revenues

Less: Basic Development Costs (taking into account the varying levels of development impact fees under the TSF scenarios, as well as potential predevelopment savings with the TSP)

Less: Developer Margin

= **Residual Land Value** (calculated for each scenario, with and without predevelopment savings)

D. Information Sources

Association of Bay Area Government (ABAG), Projections 2013.

Clifford Advisory, Land Value in Eastern Neighborhoods, April 14, 2008, plus updated data on land sales comparables and guidance on residual land value calculations provided during 2014 and 2015.

Integra Realty Resources, Viewpoint, 2015 Real Estate Value Trends.

Interviews with residential and office developers, as well as a range of general contractors, many of whom are members of the Urban Land Institute, SPUR and San Francisco Housing Action Coalition.

Interviews supplemented by reports on market trends: The Concord Group, Polaris Pacific, The Mark Company, RealAnswers (formerly RealFacts), CBRE, Colliers International and DTZ Retail Terranomics.

Keyser Marston Associates, Citywide Inclusionary Housing Study, July 2006.

Keyser Marston Associates, Sensitivity Analysis of New Development Impact Fees on Project Economics, August 12, 2008.

San Francisco Office of Community Investment and Infrastructure (OCII), staff reports to OCII Board regarding review of development proposals for Transbay Blocks 5, 6-7 and 8.

San Francisco Planning Department, Development Pipeline Data, Q3 2014.

San Francisco Planning Department, Housing Inventory Report, 2014.

San Francisco Planning Department and San Francisco Redevelopment Agency, Draft Transit Center District Plan, November 2009.

Seifel Consulting, Eastern Neighborhoods Impact Fee and Affordable Housing Analysis, May 2008.

Seifel Consulting, Inclusionary Housing Financial Analysis, December 2012

Urban Land Institute, Finance for Real Estate Development, Charles Long, 2011.

San Francisco City Departments

- San Francisco Department of Building Inspection (SFDBI)
- San Francisco Planning Department (Planning Department)
- San Francisco Mayor's Office of Housing and Community Development
- San Francisco Municipal Transportation Agency (SFMTA)
- San Francisco Office of the Controller
- San Francisco Office of Economic and Workforce Development (OEWD)
- San Francisco Planning Department (Planning Department)
- San Francisco Public Utilities Commission (SFPUC)

Appendix Table A-1
Prototype 1 Summary Results
Comparison for Base Case TIDF and Base Case TSF

1a. Summary of Development Program - Geary Small Residential Mixed-use

Site Area and Constraints	
Lot Size	5,000 SF
Existing Prior Use	600 GSF
Development Program	
Description	Low-Rise
Maximum Height	45 Feet
Residential Units	8 Units
Average Unit Size (NSF)	1,100 NSF
Residential Density	70 Units per acre
Building Size (NSF)	10,240 NSF
Building Size GSF (without parking)	12,950 GSF
FAR	3.3
Residential Parking Ratio	1.0 Spaces per Unit
Total Parking Spaces	8
Parking Construction Type (# of levels)	Podium (1)

1b. Summary of Financial Analysis - Geary Small Residential Mixed-use

Prototype 1	Base Case TIDF		Base Case TSF		Difference	
1: Geary Small Res. Mixed-use	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$7,900,200	90%	$7,900,200	90%	$0	0.0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$7,900,200	90%	$7,900,200	90%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$870,900	10%	$870,900	10%	$0	0.0%
Total Revenues	**$8,771,100**	**100%**	**$8,771,100**	**100%**	**$0**	**0.0%**
Hard and Soft Costs						
Hard Construction Costs	$3,788,400	43%	$3,788,400	43%	$0	0.0%
Tenant Improvements/Lease Up Costs	$144,000	2%	$144,000	2%	$0	0.0%
Development Impact Fees/Other Costs	$64,700	1%	$134,600	2%	$69,900	108%
Environmental/Transportation Review	$9,000	0%	$9,000	0%	$0	0.0%
Construction Financing/Predev. Carry	$364,300	4%	$364,300	4%	$0	0.0%
Other Soft Costs	$947,100	11%	$947,100	11%	$0	0.0%
Total Hard and Soft Costs	**$5,317,500**	**61%**	**$5,387,400**	**61%**	**$69,900**	**1.3%**
Developer Margin	$1,403,400	16%	$1,403,400	16%	$0	0.0%
Total Costs	**$6,720,900**	**77%**	**$6,790,800**	**77%**	***$69,900***	**1.0%**
Residual Land Value	**$2,050,200**	**23%**	**$1,980,300**	**23%**	**($69,900)**	**(3.4%)**
Without Predevelopment Savings	***$2,050,200***	***23%***	***$1,980,300***	***23%***	***($69,900)***	***(3.4%)***
Developer Margin/ Total Dev. Costs	***19%***		***19%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

1c. Summary of Financial Indicators - Geary Small Residential Mixed-use

Prototype 1	Base Case TIDF				
1: Geary Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF (w/o Parking)**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$7,900,200		$610	$772	$987,525
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$7,900,200		$610	$772	$987,525
Office	$0		$0	$0	$0
Retail	$870,900		$67	$85	$108,863
Total Revenues	**$8,771,100**		**$677**	**$857**	**$1,096,388**
Hard and Soft Costs					
Hard Construction Costs	$3,788,400	100%	$293	$370	$473,550
Tenant Improvements/Lease Up Costs	$144,000		$11	$14	$18,000
Development Impact Fees/Other Costs	$64,700	2%	$5	$6	$8,088
Environmental/Transportation Review	$9,000	0%	$1	$1	$1,125
Construction Financing/Predev. Carry	$364,300	10%	$28	$36	$45,538
Other Soft Costs	$947,100	25%	$73	$92	$118,388
Total Hard and Soft Costs	**$5,317,500**		**$411**	**$519**	**$664,688**
Developer Margin	$1,403,400		$108	$137	$175,425
Total Costs	**$6,720,900**		**$519**	**$656**	**$840,113**
Residual Land Value	**$2,050,200**		**$158**	**$200**	**$256,300**
Without Predevelopment Savings	***$2,050,200***		***$158***	***$200***	***$256,300***

Prototype 1	Base Case TSF				
1: Geary Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF (w/o Parking)**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$7,900,200		$610	$772	$987,525
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$7,900,200		$610	$772	$987,525
Office	$0		$0	$0	$0
Retail	$870,900		$67	$85	$108,863
Total Revenues	**$8,771,100**		**$677**	**$857**	**$1,096,388**
Hard and Soft Costs					
Hard Construction Costs	$3,788,400	100%	$293	$370	$473,550
Tenant Improvements/Lease Up Costs	$144,000	4%	$11	$14	$18,000
Development Impact Fees/Other Costs	$134,600	4%	$10	$13	$16,825
Environmental/Transportation Review	$9,000	0%	$1	$1	$1,125
Construction Financing/Predev. Carry	$364,300	10%	$28	$36	$45,538
Other Soft Costs	$947,100	25%	$73	$92	$118,388
Total Hard and Soft Costs	**$5,387,400**		**$416**	**$526**	**$673,425**
Developer Margin	$1,403,400		$108	$137	$175,425
Total Costs	**$6,790,800**		**$524**	**$663**	**$848,850**
Residual Land Value	**$1,980,300**		**$153**	**$193**	**$247,500**
Without Predevelopment Savings	***$1,980,300***		***$153***	***$193***	***$247,500***

Appendix Table A-2
Prototype 2 Summary Results
Comparison for Base Case TIDF and Base Case TSF

2a. Summary of Development Program - Van Ness Medium Residential Mixed-use

Site Area and Constraints		
Lot Size	24,300	SF
Existing Prior Use	11,000	GSF
Development Program		
Description	Mid-Rise	
Maximum Height	80	Feet
Residential Units	60	Units
Average Unit Size	997	NSF
Residential Density	108	Units/Acre
Building Size (NSF)	67,887	NSF
Building Size GSF (without parking)	86,124	GSF
FAR	3.6	
Residential Parking Ratio	0.75	Spaces per Unit
Total Parking Spaces	64	
Parking Construction Type (# of levels)	Underground (1)	

2b. Summary of Financial Analysis - Van Ness Medium Residential Mixed-use

Prototype 2	Base Case TIDF		Base Case TSF		Difference	
2: Van Ness Medium Res. Mixed-use	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$56,819,600	91%	$56,819,600	91%	$0	0.0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$56,819,600	91%	$56,819,600	91%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$5,740,900	9%	$5,740,900	9%	$0	0.0%
Total Revenues	**$62,560,500**	**100%**	**$62,560,500**	**100%**	**$0**	**0.0%**
Development Costs						
Hard Construction Costs	$31,216,553	50%	$31,216,553	50%	$0	0.0%
Tenant Improvements/Lease Up Costs	$808,747	1%	$808,747	1%	$0	0.0%
Development Impact Fees/Other Costs	$403,600	1%	$862,500	1%	$458,900	114%
Environmental/Transportation Review	$188,000	0%	$188,000	0%	$0	0.0%
Construction Financing/Predev. Carry	$3,235,600	5%	$3,235,600	5%	$0	0.0%
Other Soft Costs	$7,804,200	12%	$7,804,200	12%	$0	0.0%
Total Hard and Soft Costs	**$43,656,700**	**70%**	**$44,115,600**	**71%**	**$458,900**	**1.1%**
Developer Margin	$11,886,500	19%	$11,886,500	19%	$0	0.0%
Total Costs	**$55,543,200**	**89%**	**$56,002,100**	**90%**	***$458,900***	**0.8%**
Residual Land Value	**$7,017,300**	**11%**	**$6,558,400**	**10%**	**($458,900)**	**(6.5%)**
Without Predevelopment Savings	***$7,017,300***	***11%***	***$6,558,400***	***10%***	***($458,900)***	***(6.5%)***
Developer Margin/ Total Dev. Costs	***23%***		***23%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

2c. Summary of Financial Indicators - Van Ness Medium Residential Mixed-use

Prototype 2	Base Case TIDF				
2: Van Ness Medium Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$56,819,600		$660	$837	$946,993
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$56,819,600		$660	$837	$946,993
Office	$0		$0	$0	$0
Retail	$5,740,900		$67	$85	$95,682
Total Revenues	**$62,560,500**		**$726**	**$922**	**$1,042,675**
Hard and Soft Costs					
Hard Construction Costs	$31,216,553	100%	$362	$460	$520,276
Tenant Improvements/Lease Up Costs	$808,747	3%	$9	$12	$13,479
Development Impact Fees/Other Costs	$403,600	1%	$5	$6	$6,727
Environmental/Transportation Review	$188,000	1%	$2	$3	$3,133
Construction Financing/Predev. Carry	$3,235,600	10%	$38	$48	$53,927
Other Soft Costs	$7,804,200	25%	$91	$115	$130,070
Total Hard and Soft Costs	**$43,656,700**		**$507**	**$643**	**$727,612**
Developer Margin	$11,886,500		$138	$175	$198,108
Total Costs	**$55,543,200**		**$645**	**$818**	**$925,720**
Residual Land Value	**$7,017,300**		**$81**	**$103**	**$117,000**
Without Predevelopment Savings	***$7,017,300***		***$81***	***$103***	***$117,000***

Prototype 2	Base Case TSF				
2: Van Ness Medium Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$56,819,600		$660	$837	$946,993
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$56,819,600		$660	$837	$946,993
Office	$0		$0	$0	$0
Retail	$5,740,900		$67	$85	$95,682
Total Revenues	**$62,560,500**		**$726**	**$922**	**$1,042,675**
Hard and Soft Costs					
Hard Construction Costs	$31,216,553	100%	$362	$460	$520,276
Tenant Improvements/Lease Up Costs	$808,747	3%	$9	$12	$13,479
Development Impact Fees/Other Costs	$862,500	3%	$10	$13	$14,375
Environmental/Transportation Review	$188,000	1%	$2	$3	$3,133
Construction Financing/Predev. Carry	$3,235,600	10%	$38	$48	$53,927
Other Soft Costs	$7,804,200	25%	$91	$115	$130,070
Total Hard and Soft Costs	**$44,115,600**		**$512**	**$650**	**$735,260**
Developer Margin	$11,886,500		$138	$175	$198,108
Total Costs	**$56,002,100**		**$650**	**$825**	**$933,368**
Residual Land Value	**$6,558,400**		**$76**	**$97**	**$109,300**
Without Predevelopment Savings	***$6,558,400***		***$76***	***$97***	***$109,300***

Appendix Table A-3
Prototype 3 Summary Results
Comparison for Base Case TIDF and Base Case TSF

3a. Summary of Development Program - Outer Mission Small Residential Mixed-use

Site Area and Constraints	
Lot Size	14,420 SF
Existing Prior Use	17,438 SF
Development Program	
Description	Mid-Rise
Maximum Height	65 Feet
Residential Units	24 Units
Average Unit Size	1,250 NSF
Residential Density	72 Units/Acre
Building Size (NSF)	32,876 NSF
Building Size GSF (without parking)	41,784 GSF
FAR	3.6
Residential Parking Ratio	1 Spaces per Unit
Total Parking Spaces	24
Parking Construction Type (# of levels)	Podium (1)

3b. Summary of Financial Analysis - Outer Mission Small Residential Mixed-use

Prototype 3	Base Case TIDF		Base Case TSF		Difference	
3. Outer Mission Small Res. Mixed-use	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$21,895,900	93%	$21,895,900	93%	$0	0.0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$21,895,900	93%	$21,895,900	93%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$1,739,400	7%	$1,739,400	7%	$0	0.0%
Total Revenues	**$23,635,300**	**100%**	**$23,635,300**	**100%**	**$0**	**0.0%**
Hard and Soft Costs						
Hard Construction Costs	$13,594,400	58%	$13,594,400	58%	$0	0.0%
Tenant Improvements/Lease Up Costs	$287,600	1%	$287,600	1%	$0	0.0%
Development Impact Fees/Other Costs	$201,100	1%	$243,500	1%	$42,400	21%
Environmental/Transportation Review	$27,000	0%	$27,000	0%	$0	0.0%
Construction Financing/Predev. Carry	$1,188,000	5%	$1,188,000	5%	$0	0.0%
Other Soft Costs	$3,398,600	14%	$3,398,600	14%	$0	0.0%
Total Hard and Soft Costs	**$18,696,700**	**79%**	**$18,739,100**	**79%**	**$42,400**	**0.2%**
Developer Margin	$4,018,000	17%	$4,018,000	17%	$0	0.0%
Total Costs	**$22,714,700**	**96%**	**$22,757,100**	**96%**	***$42,400***	**0.2%**
Residual Land Value	**$920,600**	**4%**	**$878,200**	**4%**	**($42,400)**	**(4.6%)**
Without Predevelopment Savings	***$920,600***	***4%***	***$878,200***	***4%***	***($42,400)***	***(4.6%)***
Developer Margin/ Total Dev. Costs	***20%***		***20%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

3c. Summary of Financial Indicators - Outer Mission Small Residential Mixed-use

Prototype 3	Base Case TIDF				
3. Outer Mission Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$21,895,900		$524	$666	$912,329
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$21,895,900		$524	$666	$912,329
Office	$0		$0	$0	$0
Retail	$1,739,400		$42	$53	$72,475
Total Revenues	**$23,635,300**		**$566**	**$719**	**$984,804**
Hard and Soft Costs					
Hard Construction Costs	$13,594,400	100%	$325	$414	$566,433
Tenant Improvements/Lease Up Costs	$287,600	2%	$7	$9	$11,983
Development Impact Fees/Other Costs	$201,100	1%	$5	$6	$8,379
Environmental/Transportation Review	$27,000	0%	$1	$1	$1,125
Construction Financing/Predev. Carry	$1,188,000	9%	$28	$36	$49,500
Other Soft Costs	$3,398,600	25%	$81	$103	$141,608
Total Hard and Soft Costs	**$18,696,700**		**$447**	**$569**	**$779,029**
Developer Margin	$4,018,000		$96	$122	$167,417
Total Costs	**$22,714,700**		**$544**	**$691**	**$946,446**
Residual Land Value	**$920,600**		**$22**	**$28**	**$38,400**
Without Predevelopment Savings	***$920,600***		***$22***	***$28***	***$38,400***

Prototype 3	Base Case TSF				
3. Outer Mission Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$21,895,900		$524	$666	$912,329
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$21,895,900		$524	$666	$912,329
Office	$0		$0	$0	$0
Retail	$1,739,400		$42	$53	$72,475
Total Revenues	**$23,635,300**		**$566**	**$719**	**$984,804**
Hard and Soft Costs					
Hard Construction Costs	$13,594,400	100%	$325	$414	$566,433
Tenant Improvements/Lease Up Costs	$287,600	2%	$7	$9	$11,983
Development Impact Fees/Other Costs	$243,500	2%	$6	$7	$10,146
Environmental/Transportation Review	$27,000	0%	$1	$1	$1,125
Construction Financing/Predev. Carry	$1,188,000	9%	$28	$36	$49,500
Other Soft Costs	$3,398,600	25%	$81	$103	$141,608
Total Hard and Soft Costs	**$18,739,100**		**$448**	**$570**	**$780,796**
Developer Margin	$4,018,000		$96	$122	$167,417
Total Costs	**$22,757,100**		**$545**	**$692**	**$948,213**
Residual Land Value	**$878,200**		**$21**	**$27**	**$36,600**
Without Predevelopment Savings	***$878,200***		***$21***	***$27***	***$36,600***

Appendix Table A-4
Prototype 4 Summary Results
Comparison for Base Case TIDF and Base Case TSF

4a. Summary of Development Program - Mission Small Residential Mixed Use

Site Area and Constraints		
Lot Size	6,000	SF
Existing Prior Use	13,500	GSF
Development Program		
Description	Low-Rise	
Maximum Height	55	Feet
Residential Units	15	Units
Average Unit Size	955	NSF
Residential Density	109	Units/Acre
Building Size (NSF)	16,575	NSF
Building Size GSF (without parking)	22,264	GSF
FAR	4.0	
Residential Parking Ratio	0.5	Spaces per Unit
Total Parking Spaces	8	
Parking Construction Type (# of levels)	Podium (1)	

4b. Summary of Financial Analysis - Mission Small Residential Mixed Use

Prototype 4	Base Case TIDF		Base Case TSF		Difference	
4: Mission Small Res. Mixed-use	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$13,445,800	90%	$13,445,800	90%	$0	0.0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$13,445,800	90%	$13,445,800	90%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$1,530,900	10%	$1,530,900	10%	$0	0.0%
Total Revenues	**$14,976,700**	**100%**	**$14,976,700**	**100%**	**$0**	**0.0%**
Development Costs						
Hard Construction Costs	$6,614,500	44%	$6,614,500	44%	$0	0.0%
Tenant Improvements/Lease Up Costs	$225,000	2%	$225,000	2%	$0	0.0%
Development Impact Fees/Other Costs	$270,000	2%	$293,600	2%	$23,600	8.7%
Environmental/Transportation Review	$11,000	0%	$11,000	0%	$0	0.0%
Construction Financing/Predev. Carry	$665,600	4%	$665,600	4%	$0	0.0%
Other Soft Costs	$1,653,600	11%	$1,653,600	11%	$0	0.0%
Total Hard and Soft Costs	**$9,439,700**	**63%**	**$9,463,300**	**63%**	**$23,600**	**0.3%**
Developer Margin	$2,396,300	16%	$2,396,300	16%	$0	0.0%
Total Costs	**$11,836,000**	**79%**	**$11,859,600**	**79%**	***$23,600***	**0.2%**
Residual Land Value	**$3,140,700**	**21%**	**$3,117,100**	**21%**	**($23,600)**	**(0.8%)**
Without Predevelopment Savings	***$3,140,700***	***21%***	***$3,117,100***	***21%***	***($23,600)***	***(0.8%)***
Developer Margin/ Total Dev. Costs	***19%***		***19%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer' payment for TDR purchase and Mello Roos special tax.

4c. Summary Proforma - Mission Small Residential Mixed Use

Prototype 4	Base Case TIDF				
4: Mission Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$13,445,800		$604	$811	$896,387
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$13,445,800		$604	$811	$896,387
Office	$0		$0	$0	$0
Retail	$1,530,900		$69	$92	$102,060
Total Revenues	**$14,976,700**		**$673**	**$904**	**$998,447**
Hard and Soft Costs					
Hard Construction Costs	$6,614,500	100%	$297	$399	$440,967
Tenant Improvements/Lease Up Costs	$225,000	3%	$10	$14	$15,000
Development Impact Fees/Other Costs	$270,000	4%	$12	$16	$18,000
Environmental/Transportation Review	$11,000	0%	$0	$1	$733
Construction Financing/Predev. Carry	$665,600	10%	$30	$40	$44,373
Other Soft Costs	$1,653,600	25%	$74	$100	$110,240
Total Hard and Soft Costs	**$9,439,700**		**$424**	**$570**	**$629,313**
Developer Margin	$2,396,300		$108	$145	$159,753
Total Costs	**$11,836,000**		**$532**	**$714**	**$789,067**
Residual Land Value	**$3,140,700**		**$141**	**$189**	**$209,400**
Without Predevelopment Savings	***$3,140,700***		***$141***	***$189***	***$209,400***

Prototype 4	Base Case TSF				
4: Mission Small Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$13,445,800		$604	$811	$896,387
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$13,445,800		$604	$811	$896,387
Office	$0		$0	$0	$0
Retail	$1,530,900		$69	$92	$102,060
Total Revenues	**$14,976,700**		**$673**	**$904**	**$998,447**
Hard and Soft Costs					
Hard Construction Costs	$6,614,500	100%	$297	$399	$440,967
Tenant Improvements/Lease Up Costs	$225,000	3%	$10	$14	$15,000
Development Impact Fees/Other Costs	$293,600	4%	$13	$18	$19,573
Environmental/Transportation Review	$11,000	0%	$0	$1	$733
Construction Financing/Predev. Carry	$665,600	10%	$30	$40	$44,373
Other Soft Costs	$1,653,600	25%	$74	$100	$110,240
Total Hard and Soft Costs	**$9,463,300**		**$425**	**$571**	**$630,887**
Developer Margin	$2,396,300		$108	$145	$159,753
Total Costs	**$11,859,600**		**$533**	**$716**	**$790,640**
Residual Land Value	**$3,117,100**		**$140**	**$188**	**$207,800**
Without Predevelopment Savings	***$3,117,100***		***$140***	***$188***	***$207,800***

Appendix Table A-5
Prototype 5 Summary Results
Comparison for Base Case TIDF and Base Case TSF

5a. Summary of Development Program - Central Waterfront Large Residential MU

Site Area and Constraints	
Lot Size	35,000 SF
Existing Prior Use	40,000 GSF
Development Program	
Description	Mid-Rise
Maximum Height	65 Feet
Residential Units	156 Units
Average Unit Size	762 NSF
Residential Density	194 Units/Acre
Building Size (NSF)	123,300 NSF
Building Size GSF (without parking)	154,720 GSF
FAR	4.5
Parking Ratio	0.71 Spaces per Unit
Total Parking Spaces	111
Parking Construction Type (# of levels)	Underground (1)

5b. Summary of Financial Analysis - Central Waterfront Large Residential MU

Prototype 5	Base Case TIDF		Base Case TSF		Difference	
5: Central Waterfront Large Res. MU	**Total**	**% of Revenues**	**Base Case TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$0	0%	$0	0%	$0	-
Residential Rental	$106,807,000	97%	$106,807,000	97%	$0	0%
Subtotal Residential	$106,807,000	97%	$106,807,000	97%	$0	0%
Office	$0	0%	$0	0%	$0	-
Retail	$3,126,600	2.8%	$3,126,600	2.8%	$0	0%
Total Revenues	**$109,933,600**	**100%**	**$109,933,600**	**100%**	**$0**	**0%**
Hard and Soft Costs						
Hard Construction Costs	$50,999,200	46%	$50,999,200	46%	$0	0%
Tenant Improvements/Lease Up Costs	$450,000	0%	$450,000	0%	$0	0%
Development Impact Fees/Other Costs	$2,421,400	2%	$2,671,300	2%	$249,900	10%
Environmental/Transportation Review	$683,000	1%	$122,000	0%	($561,000)	(82%)
Construction Financing/Predev. Carry	$4,642,300	4%	$4,367,400	4%	($274,900)	(5.9%)
Other Soft Costs	$9,179,900	8%	$9,179,900	8%	$0	0.0%
Total Hard and Soft Costs	**$68,375,800**	**62%**	**$67,789,800**	**62%**	**($586,000)**	**(0.9%)**
Developer Margin	$18,688,700	17%	$18,688,700	17%	$0	0.0%
Total Costs	**$87,064,500**	**79%**	**$86,478,500**	**79%**	***($586,000)***	**(0.7%)**
Residual Land Value	**$22,869,100**	**21%**	**$23,455,100**	**21%**	**$586,000**	**2.6%**
Without Predevelopment Savings	***$22,869,100***	***21%***	***$22,619,200***	***21%***	***($249,900)***	***(1.1%)***
Return (Yield) on Cost	*5.7%*		*5.7%*			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

5c. Summary of Financial Indicators - Central Waterfront Large Residential MU

Prototype 5	Base Case TIDF				
5: Central Waterfront Large Res. MU	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	$0
Residential Rental	$106,807,000		$690	$866	$684,660
Subtotal Residential	$106,807,000		$690	$866	$684,660
Office	$0		$0	$0	$0
Retail	$3,126,600		$20	$25	$20,042
Total Revenues	**$109,933,600**		**$711**	**$892**	**$704,703**
Hard and Soft Costs					
Hard Construction Costs	$50,999,200	100%	$330	$414	$326,918
Tenant Improvements/Lease Up Costs	$450,000	1%	$3	$4	$2,885
Development Impact Fees/Other Costs	$2,421,400	5%	$16	$20	$15,522
Environmental/Transportation Review	$683,000	1%	$4	$6	$4,378
Construction Financing/Predev. Carry	$4,642,300	9%	$30	$38	$29,758
Other Soft Costs	$9,179,900	18%	$59	$74	$58,846
Total Hard and Soft Costs	**$68,375,800**		**$442**	**$555**	**$438,306**
Developer Margin	$18,688,700		$121	$152	$119,799
Total Costs	**$87,064,500**		**$563**	**$706**	**$558,106**
Residual Land Value	**$22,869,100**		**$148**	**$185**	**$146,600**
Without Predevelopment Savings	***$22,869,100***		***$148***	***$185***	***$146,600***

Prototype 5	Base Case TSF				
5: Central Waterfront Large Res. MU	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues			**$711**	**$0**	**$0**
Residential For-Sale	$0		$0	$0	$0
Residential Rental	$106,807,000		$690	$866	$684,660
Subtotal Residential	$106,807,000		$690	$866	$684,660
Office	$0		$0	$0	$0
Retail	$3,126,600		$20	$25	$20,042
Total Revenues	**$109,933,600**		**$711**	**$892**	**$704,700**
Hard and Soft Costs					
Hard Construction Costs	$50,999,200	100%	$330	$414	$326,918
Tenant Improvements/Lease Up Costs	$450,000	1%	$3	$4	$2,885
Development Impact Fees/Other Costs	$2,671,300	5%	$17	$22	$17,124
Environmental/Transportation Review	$122,000	0%	$1	$1	$782
Construction Financing/Predev. Carry	$4,367,400	9%	$28	$35	$27,996
Other Soft Costs	$9,179,900	18%	$59	$74	$58,846
Total Hard and Soft Costs	**$67,789,800**		**$438**	**$550**	**$434,550**
Developer Margin	$18,688,700		$121	$152	$119,799
Total Costs	**$86,478,500**		**$559**	**$701**	**$554,349**
Residual Land Value	**$23,455,100**		**$152**	**$190**	**$150,400**
Without Predevelopment Savings	***$22,619,200***		***$146***	***$183***	***$145,000***

Appendix Table A-6
Prototype 6 Summary Results
Comparison for Base Case TIDF and Base Case TSF

6a. Summary of Development Program - East SoMa Medium Residential Mixed-use

Site Area and Constraints		
Lot Size	10,000	SF
Existing Prior Use	62,500	GSF
Development Program		
Description	Mid-Rise	
Maximum Height	85	Feet
Residential Units	60	Units
Average Unit Size	719	NSF
Residential Density	261	Units/Acre
Building Size (NSF)	47,625	NSF
Building Size GSF (without parking)	60,550	GSF
FAR	6.3	
Parking Ratio	0.50	Spaces per Unit
Total Parking Spaces	36	
Parking Construction Type (# of levels)	Underground (1)	

6b. Summary of Financial Analysis - East SoMa Medium Residential Mixed-use

Prototype 6	Base Case TIDF		Base Case TSF		Difference	
6: East SoMa Medium Res. Mixed-use	**Total**	**% of Revenues**	**Base Case TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$0	0%	$0	0%	$0	-
Residential Rental	$40,092,100	92%	$40,092,100	92%	$0	0.0%
Subtotal Residential	$40,092,100	92%	$40,092,100	92%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$3,382,800	8%	$3,382,800	8%	$0	0.0%
Total Revenues	**$43,474,900**	**100%**	**$43,474,900**	**100%**	**$0**	**0.0%**
Hard and Soft Costs						
Hard Construction Costs	$21,266,900	49%	$21,266,900	49%	$0	0.0%
Tenant Improvements/Lease Up Costs	$450,000	1%	$450,000	1%	$0	0.0%
Development Impact Fees/Other Costs	$1,443,400	3%	$1,571,000	4%	$127,600	8.8%
Environmental/Transportation Review	$119,000	0%	$119,000	0%	$0	0.0%
Construction Financing/Predev. Carry	$1,768,300	4%	$1,768,300	4%	$0	0.0%
Other Soft Costs	$3,828,000	9%	$3,828,000	9%	$0	0.0%
Total Hard and Soft Costs	**$28,875,600**	**66%**	**$29,003,200**	**67%**	**$127,600**	**0.4%**
Developer Margin	$8,260,200	19%	$8,260,200	19%	$0	0.0%
Total Costs	**$37,135,800**	**85%**	**$37,263,400**	**86%**	***$127,600***	**0.3%**
Residual Land Value	**$6,339,100**	**15%**	**$6,211,500**	**14%**	**($127,600)**	**(2.0%)**
Without Predevelopment Savings	***$6,339,100***	***15%***	***$6,211,500***	***14%***	***($127,600)***	***(2.0%)***
Return (Yield) on Cost	*5.9%*		*5.9%*			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

6c. Summary of Financial Indicators - East SoMa Medium Residential Mixed-use

Prototype 6	Base Case TIDF				
6: East SoMa Medium Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	$0
Residential Rental	$40,092,100		$662	$842	$668,202
Subtotal Residential	$40,092,100		$662	$842	$668,202
Office	$0		$0	$0	$0
Retail	$3,382,800		$56	$71	$56,380
Total Revenues	**$43,474,900**		**$718**	**$913**	**$724,582**
Hard and Soft Costs					
Hard Construction Costs	$21,266,900	100%	$351	$447	$354,448
Tenant Improvements/Lease Up Costs	$450,000	2%	$7	$9	$7,500
Development Impact Fees/Other Costs	$1,443,400	7%	$24	$30	$24,057
Environmental/Transportation Review	$119,000	1%	$2	$2	$1,983
Construction Financing/Predev. Carry	$1,768,300	8%	$29	$37	$29,472
Other Soft Costs	$3,828,000	18%	$63	$80	$63,800
Total Hard and Soft Costs	**$28,875,600**		**$477**	**$606**	**$481,260**
Developer Margin	$8,260,200		$136	$173	$137,670
Total Costs	**$37,135,800**		**$613**	**$780**	**$618,930**
Residual Land Value	**$6,339,100**		**$105**	**$133**	**$105,700**
Without Predevelopment Savings	***$6,339,100***		***$105***	***$133***	***$105,700***

Prototype 6	Base Case TSF				
6: East SoMa Medium Res. Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	$0
Residential Rental	$40,092,100		$662	$842	$668,202
Subtotal Residential	$40,092,100		$662	$842	$668,202
Office	$0		$0	$0	$0
Retail	$3,382,800		$56	$71	$56,380
Total Revenues	**$43,474,900**		**$718**	**$913**	**$724,582**
Hard and Soft Costs					
Hard Construction Costs	$21,266,900	100%	$351	$447	$354,448
Tenant Improvements/Lease Up Costs	$450,000	2%	$7	$9	$7,500
Development Impact Fees/Other Costs	$1,571,000	7%	$26	$33	$26,183
Environmental/Transportation Review	$119,000	1%	$2	$2	$1,983
Construction Financing/Predev. Carry	$1,768,300	8%	$29	$37	$29,472
Other Soft Costs	$3,828,000	18%	$63	$80	$63,800
Total Hard and Soft Costs	**$29,003,200**		**$479**	**$609**	**$483,387**
Developer Margin	$8,260,200		$136	$173	$137,670
Total Costs	**$37,263,400**		**$615**	**$782**	**$621,057**
Residual Land Value	**$6,211,500**		**$103**	**$130**	**$103,500**
Without Predevelopment Savings	***$6,211,500***		***$103***	***$130***	***$103,500***

Appendix Table A-7
Prototype 7 Summary Results
Comparison for Base Case TIDF and Base Case TSF

7a. Summary of Development Program - East SoMa Large Office

Site Area and Constraints	
Lot Size	35,000 SF
Existing Prior Use	6,000 GSF
Development Program	
Description	High-Rise
Maximum Height	160 Feet
Residential Units	N/A Units
Average Unit Size	N/A
Residential Density	0 Units/Acre
Building Size (Leaseable SF)	224,420 LSF
Building Size GSF (without parking)	249,300 GSF
FAR	6.7
Parking Ratio	N/A Spaces per Unit
Total Parking Spaces	86
Parking Construction Type (# of levels)	Underground (1)

7b. Summary of Financial Analysis - East SoMa Large Office

Prototype 7	Base Case TIDF		Base Case TSF		Difference	
7: East SoMa Large Office	**Total**	**% of Revenues**	**Base Case TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$0	0%	$0	0%	$0	-
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$0	0%	$0	0%	$0	-
Office	$174,558,100	91%	$174,558,100	91%	$0	0%
Retail	$17,231,000	9.0%	$17,231,000	9.0%	$0	0%
Total Revenues	**$191,789,100**	**100%**	**$191,789,100**	**100%**	**$0**	**0%**
Hard and Soft Costs						
Hard Construction Costs	$73,265,500	38%	$73,265,500	38%	$0	0%
Tenant Improvements	$19,410,500	10%	$19,410,500	10%	$0	0%
Development Impact Fees/Other Costs	$14,705,700	8%	$14,828,400	8%	$122,700	0.8%
Environmental/Transportation Review	$979,000	1%	$884,000	0%	($95,000)	(9.7%)
Construction Financing/Predev. Carry	$10,831,600	6%	$10,352,100	5%	($479,500)	(4.4%)
Other Soft Costs	$13,187,800	7%	$13,187,800	7%	$0	0.0%
Total Hard and Soft Costs	**$132,380,100**	**69%**	**$131,928,300**	**69%**	**($451,800)**	**(0.3%)**
Developer Margin	$30,686,300	16%	$30,686,300	16%	$0	0.0%
Total Costs	**$163,066,400**	**85%**	**$162,614,600**	**85%**	***($451,800)***	**(0.3%)**
Residual Land Value	**$28,722,700**	**15%**	**$29,174,500**	**15%**	**$451,800**	**1.6%**
Without Predevelopment Savings	***$28,722,700***	***15%***	***$28,600,000***	***15%***	***($122,700)***	***(0.4%)***
Return (Yield) on Cost	***6.3%***		***6.3%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer' payment for TDR purchase and Mello Roos special tax.

7c. Summary of Financial Indicators - East SoMa Large Office

Prototype 7	Base Case TIDF				
7: East SoMa Large Office	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg LSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	N/A
Residential Rental	$0		$0	$0	N/A
Subtotal Residential	$0		$0	$0	N/A
Office	$174,558,100		$700	$778	N/A
Retail	$17,231,000		$69	$77	N/A
Total Revenues	**$191,789,100**		**$769**	**$855**	**N/A**
Hard and Soft Costs					
Hard Construction Costs	$73,265,500	100%	$294	$326	N/A
Tenant Improvements	$19,410,500	26%	$78	$86	N/A
Development Impact Fees/Other Costs	$14,705,700	20%	$59	$66	N/A
Environmental/Transportation Review	$979,000	1%	$4	$4	N/A
Construction Financing/Predev. Carry	$10,831,600	15%	$43	$48	N/A
Other Soft Costs	$13,187,800	18%	$53	$59	N/A
Total Hard and Soft Costs	**$132,380,100**		**$531**	**$590**	**N/A**
Developer Margin	$30,686,300		$123	$137	N/A
Total Costs	**$163,066,400**		**$654**	**$727**	**N/A**
Residual Land Value	**$28,722,700**		**$115**	**$128**	**N/A**
Without Predevelopment Savings	***$28,722,700***		***$115***	***$128***	***N/A***

Prototype 7	Base Case TSF				
7: East SoMa Large Office	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg LSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	N/A
Residential Rental	$0		$0	$0	N/A
Subtotal Residential	$0		$0	$0	N/A
Office	$174,558,100		$700	$778	N/A
Retail	$17,231,000		$69	$77	N/A
Total Revenues	**$191,789,100**		**$769**	**$855**	**N/A**
Hard and Soft Costs					
Hard Construction Costs	$73,265,500	100%	$294	$326	N/A
Tenant Improvements	$19,410,500	26%	$78	$86	N/A
Development Impact Fees/Other Costs	$14,828,400	20%	$59	$66	N/A
Environmental/Transportation Review	$884,000	1%	$4	$4	N/A
Construction Financing/Predev. Carry	$10,352,100	14%	$42	$46	N/A
Other Soft Costs	$13,187,800	18%	$53	$59	N/A
Total Hard and Soft Costs	**$131,928,300**		**$529**	**$588**	**N/A**
Developer Margin	$30,686,300		$123	$137	N/A
Total Costs	**$162,614,600**		**$652**	**$725**	**N/A**
Residual Land Value	**$29,174,500**		**$117**	**$130**	**N/A**
Without Predevelopment Savings	***$28,600,000***		***$115***	***$127***	***N/A***

Appendix Table A-8
Prototype 8 Summary Results
Comparison for Base Case TIDF and Base Case TSF

8a. Summary of Development Program - East SoMa Large Residential Mixed-use

Site Area and Constraints		
Lot Size	15,000	SF
Existing Prior Use	0	GSF
Development Program		
Description	High-Rise	
Maximum Height	160	Feet
Residential Units	128	Units
Average Unit Size (NSF)	942	NSF
Residential Density	372	Units per acre
Building Size (NSF)	126,575	NSF
Building Size GSF (without parking)	160,950	GSF
FAR	10.7	
Parking Ratio	0.7	Spaces per unit
Total Parking Spaces	38	
Parking Construction Type (# of levels)	Underground (1)	

8b. Summary of Financial Analysis - East SoMa Large Residential Mixed-use

Prototype 8	Base Case TIDF		Base Case TSF		Difference	
8: East SoMa Large Res. Mixed-use	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$127,277,500	96%	$127,277,500	96%	$0	0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$127,277,500	96%	$127,277,500	96%	$0	0%
Office	$0	0%	$0	0%	$0	-
Retail	$5,162,500	3.9%	$5,162,500	3.9%	$0	0%
Total Revenues	**$132,440,000**	**100%**	**$132,440,000**	**100%**	**$0**	**0%**
Hard and Soft Costs						
Hard Construction Costs	$60,567,200	46%	$60,567,200	46%	$0	0%
Tenant Improvements/Lease Up Costs	$675,000	1%	$675,000	1%	$0	0%
Development Impact Fees/Other Costs	$3,917,200	3%	$4,556,400	3%	$639,200	16%
Environmental/Transportation Review	$144,000	0%	$119,000	0%	($25,000)	(17%)
Construction Financing/Predev. Carry	$9,179,700	7%	$8,848,600	7%	($331,100)	(3.6%)
Other Soft Costs	$15,141,800	11%	$15,141,800	11%	$0	0.0%
Total Hard and Soft Costs	**$89,624,900**	**68%**	**$89,908,000**	**68%**	**$283,100**	**0.3%**
Developer Margin	$29,136,800	22%	$29,136,800	22%	$0	0%
Total Costs	**$118,761,700**	**90%**	**$119,044,800**	**90%**	***$283,100***	**0.2%**
Residual Land Value	**$13,678,300**	**10%**	**$13,395,200**	**10%**	**($283,100)**	**(2.1%)**
Without Predevelopment Savings	***$13,678,300***	***10%***	***$13,039,100***	***10%***	***($639,200)***	***(4.7%)***
Developer Margin/ Total Dev. Costs	***28%***		***28%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer' payment for TDR purchase and Mello Roos special tax.

8c. Summary of Financial Indicators - East SoMa Large Residential Mixed-use

Prototype 8	Base Case TIDF				
8: East SoMa Large Residential Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Total Net Revenues					
Residential For-Sale	$127,277,500		$804	$1,006	$994,355
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$127,277,500		$804	$1,006	$994,355
Office	$0		$0	$0	$0
Retail	$5,162,500		$33	$41	$40,332
Total Revenues	**$132,440,000**		**$837**	**$1,046**	**$1,034,688**
Development Costs					
Hard Construction Costs	$60,567,200	100%	$383	$479	$473,181
Tenant Improvements/Lease Up Costs	$675,000	1%	$4	$5	$5,273
Development Impact Fees/Other Costs	$3,917,200	6%	$25	$31	$30,603
Environmental/Transportation Review	$144,000	0%	$1	$1	$1,125
Construction Financing/Predev. Carry	$9,179,700	15%	$58	$73	$71,716
Other Soft Costs	$15,141,800	25%	$96	$120	$118,295
Total Hard and Soft Costs	**$89,624,900**		**$566**	**$708**	**$700,195**
Developer Margin	$29,136,800		$184	$230	$227,631
Total Costs	**$118,761,700**		**$750**	**$938**	**$927,826**
Residual Land Value	**$13,678,300**		**$86**	**$108**	**$106,900**
Without Predevelopment Savings	*$13,678,300*		*$86*	*$108*	*$106,900*

Prototype 8	Base Case TSF				
8: East SoMa Large Residential Mixed-use	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Total Net Revenues					
Residential For-Sale	$127,277,500		$804	$1,006	$994,355
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$127,277,500		$804	$1,006	$994,355
Office	$0		$0	$0	$0
Retail	$5,162,500		$33	$41	$40,332
Total Revenues	**$132,440,000**		**$1,046**	**$1,046**	**$1,034,688**
Development Costs					
Hard Construction Costs	$60,567,200	100%	$383	$479	$473,181
Tenant Improvements/Lease Up Costs	$675,000	1%	$4	$5	$5,273
Development Impact Fees/Other Costs	$4,556,400	8%	$29	$36	$35,597
Environmental/Transportation Review	$119,000	0%	$1	$1	$930
Construction Financing/Predev. Carry	$8,848,600	15%	$56	$70	$69,130
Other Soft Costs	$15,141,800	25%	$96	$120	$118,295
Total Hard and Soft Costs	**$89,908,000**		**$568**	**$710**	**$702,406**
Developer Margin	$29,136,800		$184	$230	$227,631
Total Costs	**$119,044,800**		**$752**	**$941**	**$930,038**
Residual Land Value	**$13,395,200**		**$85**	**$106**	**$104,700**
Without Predevelopment Savings	*$13,039,100*		*$82*	*$103*	*$101,900*

Appendix Table A-9
Prototype 9 Summary Results
Comparison for Base Case TIDF and Base Case TSF

9a. Summary Development Pro Forma - Transit Center Large Residential

Site Area and Constraints	
Lot Size	15,000 SF
Existing Prior Use	0 GSF
Development Program	
Description	High-Rise
Maximum Height	400 Feet
Residential Units (Size)	229 Units
Average Unit Size (NSF)	1,053 NSF
Residential Density	665 Units per acre
Building Size (NSF)	241,250 NSF
Building Size GSF (without parking)	332,750 GSF
FAR	22.5
Parking Ratio	0.7 Spaces per unit
Total Parking Spaces	163
Parking Construction Type (# of levels)	Underground (2)

9b. Summary of Financial Analysis - Transit Center Large Residential

Prototype 9	Base Case TIDF		Base Case TSF		Difference	
9: Transit Center Large Residential	**Total**	**% of Revenues**	**TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$307,630,600	100%	$307,630,600	100%	$0	0.0%
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$307,630,600	100%	$307,630,600	100%	$0	0.0%
Office	$0	0%	$0	0%	$0	-
Retail	$0	0%	$0	0%	$0	-
Total Revenues	**$307,630,600**	**100%**	**$307,630,600**	**100%**	**$0**	**0.0%**
Hard and Soft Costs						
Hard Construction Costs	$132,220,000	43%	$132,220,000	43%	$0	0.0%
Tenant Improvements/Lease Up Costs	$0	0%	$0	0%	$0	-
Development Impact Fees/Other Costs	$22,389,200	7%	$24,448,900	8%	$2,059,700	9.2%
Environmental/Transportation Review	$149,000	0%	$124,000	0%	($25,000)	(17%)
Construction Financing/Predev. Carry	$26,246,300	9%	$25,477,200	8%	($769,100)	(2.9%)
Other Soft Costs	$33,055,000	11%	$33,055,000	11%	$0	0.0%
Total Hard and Soft Costs	**$214,059,500**	**70%**	**$215,325,100**	**70%**	**$1,265,600**	**0.6%**
Developer Margin	$67,678,700	22%	$67,678,700	22%	$0	0.0%
Total Costs	**$281,738,200**	**92%**	**$283,003,800**	**92%**	***$1,265,600***	**0.4%**
Residual Land Value	**$25,892,400**	**8%**	**$24,626,800**	**8%**	**($1,265,600)**	**(4.9%)**
Without Predevelopment Savings	***$25,892,400***	***8%***	***$23,832,700***	***8%***	***($2,059,700)***	***(8.0%)***
Developer Margin/ Total Dev. Costs	***28%***		***28%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer' payment for TDR purchase and Mello Roos special tax.

9c. Summary of Financial Indicators - Transit Center Large Residential

Prototype 9	Base Case TIDF				
9: Transit Center Large Residential	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$307,630,600		$925	$1,275	$1,343,365
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$307,630,600		$925	$1,275	$1,343,365
Office	$0		$0	$0	$0
Retail	$0		$0	$0	$0
Total Revenues	**$307,630,600**		**$925**	**$1,275**	**$1,343,365**
Hard and Soft Costs					
Hard Construction Costs	$132,220,000	100%	$397	$548	$577,380
Tenant Improvements/Lease Up Costs	$0	0%	$0	$0	$0
Development Impact Fees/Other Costs	$22,389,200	17%	$67	$93	$97,769
Environmental/Transportation Review	$149,000	0%	$0	$1	$651
Construction Financing/Predev. Carry	$26,246,300	20%	$79	$109	$114,613
Other Soft Costs	$33,055,000	25%	$99	$137	$144,345
Total Hard and Soft Costs	**$214,059,500**		**$643**	**$887**	**$934,758**
Developer Margin	$67,678,700		$203	$281	$295,540
Total Costs	**$281,738,200**		**$847**	**$1,168**	**$1,230,298**
Residual Land Value	**$25,892,400**		**$78**	**$107**	**$113,100**
Without Predevelopment Savings	***$25,892,400***		***$78***	***$107***	***$113,100***

Prototype 9	Base Case TSF				
9: Transit Center Large Residential	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$307,630,600		$925	$1,275	$1,343,365
Residential Rental	$0		$0	$0	$0
Subtotal Residential	$307,630,600		$925	$1,275	$1,343,365
Office	$0		$0	$0	$0
Retail	$0		$0	$0	$0
Total Revenues	**$307,630,600**		**$925**	**$1,275**	**$1,343,365**
Hard and Soft Costs					
Hard Construction Costs	$132,220,000	100%	$397	$548	$577,380
Tenant Improvements/Lease Up Costs	$0	0%	$0	$0	$0
Development Impact Fees/Other Costs	$24,448,900	18%	$73	$101	$106,764
Environmental/Transportation Review	$124,000	0%	$0	$1	$541
Construction Financing/Predev. Carry	$25,477,200	19%	$77	$106	$111,254
Other Soft Costs	$33,055,000	25%	$99	$137	$144,345
Total Hard and Soft Costs	**$215,325,100**		**$647**	**$893**	**$940,284**
Developer Margin	$67,678,700		$203	$281	$295,540
Total Costs	**$283,003,800**		**$850**	**$1,173**	**$1,235,824**
Residual Land Value	**$24,626,800**		**$74**	**$102**	**$107,500**
Without Predevelopment Savings	***$23,832,700***		***$72***	***$99***	***$104,100***

Appendix Table A-10
Prototype 10 Summary Results
Comparison for Base Case TIDF and Base Case TSF

10a. Summary of Development Program - Transit Center Large Office

Site Area and Constraints	
Lot Size	20,000 SF
Existing Prior Use	0 GSF
Development Program	
Description	High-Rise
Maximum Height	400 Feet
Residential Units	N/A Units
Average Unit Size	N/A NSF
Residential Density	0 Units/Acre
Building Size (Leaseable SF)	320,300 LSF
Building Size GSF (without parking)	384,700 GSF
FAR	19.39
Parking Ratio	N/A Spaces per Unit
Total Parking Spaces	93
Parking Construction Type (# of levels)	Underground (2)

10b. Summary of Financial Analysis - Transit Center Large Office

Prototype 10	Base Case TIDF		Base Case TSF		Difference	
10: Transit Center Large Office	**Total**	**% of Revenues**	**Base Case TSF Total**	**% of Revenues**	**Total**	**% Change**
Revenues						
Residential For-Sale	$0	0%	$0	0%	$0	-
Residential Rental	$0	0%	$0	0%	$0	-
Subtotal Residential	$0	0%	$0	0%	$0	-
Office	$319,920,700	97%	$319,920,700	97%	$0	0.0%
Retail	$9,881,600	3%	$9,881,600	3%	$0	0.0%
Total Revenues	**$329,802,300**	**100%**	**$329,802,300**	**100%**	**$0**	**0.0%**
Hard and Soft Costs						
Hard Construction Costs	$127,821,800	39%	$127,821,800	39%	$0	0.0%
Tenant Improvements/Lease Up Costs	$32,030,000	10%	$32,030,000	10%	$0	0.0%
Development Impact Fees/Other Costs	$30,290,600	9%	$30,495,800	9%	$205,200	0.7%
Environmental/Transportation Review	$249,200	0%	$199,200	0%	($50,000)	(20%)
Construction Financing/Predev. Carry	$21,445,700	7%	$20,621,200	6%	($824,500)	(3.8%)
Other Soft Costs	$23,007,900	7%	$23,007,900	7%	$0	0.0%
Total Hard and Soft Costs	**$234,845,200**	**71%**	**$234,175,900**	**71%**	**($669,300)**	**(0.3%)**
Developer Margin	$52,768,400	16%	$52,768,400	16%	$0	0.0%
Total Costs	**$287,613,600**	**87%**	**$286,944,300**	**87%**	***($669,300)***	**(0.2%)**
Residual Land Value	**$42,188,700**	**13%**	**$42,858,000**	**13%**	**$669,300**	**1.6%**
Without Predevelopment Savings	***$42,188,700***	***13%***	***$41,983,500***	***13%***	***($205,200)***	**(0.5%)**
Return (Yield) on Cost	***6.2%***		***6.2%***			

Note: Numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer' payment for TDR purchase and Mello Roos special tax.

10c. Summary of Financial Indicators - Transit Center Large Office

Prototype 10	Base Case TIDF				
10: Transit Center Large Office	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	N/A
Residential Rental	$0		$0	$0	N/A
Subtotal Residential	$0		$0	$0	N/A
Office	$319,920,700		$832	$999	N/A
Retail	$9,881,600		$26	$31	N/A
Total Revenues	**$329,802,300**		**$857**	**$1,030**	**N/A**
Hard and Soft Costs					
Hard Construction Costs	$127,821,800	100%	$332	$399	N/A
Tenant Improvements/Lease Up Costs	$32,030,000	25%	$83	$100	N/A
Development Impact Fees/Other Costs	$30,290,600	24%	$79	$95	N/A
Environmental/Transportation Review	$249,200	0%	$1	$1	N/A
Construction Financing/Predev. Carry	$21,445,700	17%	$56	$67	N/A
Other Soft Costs	$23,007,900	18%	$60	$72	N/A
Total Hard and Soft Costs	**$234,845,200**		**$610**	**$733**	**N/A**
Developer Margin	$52,768,400		$137	$165	N/A
Total Costs	**$287,613,600**		**$748**	**$898**	**N/A**
Residual Land Value	**$42,188,700**		**$110**	**$132**	**N/A**
Without Predevelopment Savings	***$42,188,700***		***$110***	***$132***	***N/A***

Prototype 10	Base Case TSF				
10: Transit Center Large Office	**Total**	**Soft Cost as % of HCC**	**Per Bldg GSF**	**Per Bldg NSF**	**Per Unit**
Revenues					
Residential For-Sale	$0		$0	$0	N/A
Residential Rental	$0		$0	$0	N/A
Subtotal Residential	$0		$0	$0	N/A
Office	$319,920,700		$832	$999	N/A
Retail	$9,881,600		$26	$31	N/A
Total Revenues	**$329,802,300**		**$857**	**$1,030**	**N/A**
Hard and Soft Costs					
Hard Construction Costs	$127,821,800	100%	$332	$399	N/A
Tenant Improvements/Lease Up Costs	$32,030,000	25%	$83	$100	N/A
Development Impact Fees/Other Costs	$30,495,800	24%	$79	$95	N/A
Environmental/Transportation Review	$199,200	0%	$1	$1	N/A
Construction Financing/Predev. Carry	$20,621,200	16%	$54	$64	N/A
Other Soft Costs	$23,007,900	18%	$60	$72	N/A
Total Hard and Soft Costs	**$234,175,900**		**$609**	**$731**	**N/A**
Developer Margin	$52,768,400		$137	$165	N/A
Total Costs	**$286,944,300**		**$746**	**$896**	**N/A**
Residual Land Value	**$42,858,000**		**$111**	**$134**	**N/A**
Without Predevelopment Savings	***$41,983,500***		***$109***	***$131***	***N/A***

Appendix Table B-1
Prototype 1 Proforma Comparison for
Base Case TIDF and Base Case TSF

1d. Summary Development Pro Forma - Geary Small Residential Mixed-use

1: Geary Small Res. Mixed-use	Prototype 1			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$7,900,200	$7,900,200	$0	0.0%
Office	$0	$0	$0	-
Retail	$870,900	$870,900	$0	0.0%
Total Revenues	**$8,771,100**	**$8,771,100**	**$0**	0.0%
Development Costs				
Hard Construction Costs	**$3,788,400**	**$3,788,400**	**$0**	0.0%
Residential	*$2,724,000*	*$2,724,000*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$360,000*	*$360,000*	$0	0.0%
Parking	*$360,000*	*$360,000*	$0	0.0%
Hard Cost Contingency	*$344,400*	*$344,400*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$144,000**	**$144,000**	**$0**	0.0%
Office	*$0*	*$0*	*$0*	-
Retail	*$144,000*	*$144,000*	*$0*	*0.0%*
Subtotal: Direct Costs	**$3,932,400**	**$3,932,400**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$9,000**	**$9,000**	$0	0.0%
Transportation Component	*$0*	*$0*		
Environmental Review	*$9,000*	*$9,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$64,700**	**$134,600**	**$69,900**	108%
Transit Impact Development Fee	*$23,344*	$0	($23,344)	
TIDF Prior Use Credit	*($4,476)*	*$0*	$4,476	
Transportation Sustainability Fee	*$0*	*$93,345*	$93,345	-
TSF Prior Use Credit	*$0*	*($4,566)*	($4,566)	-
Area Plan Impact Fees	*$0*	*$0*	$0	-
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$0*	*$0*	$0	-
School Impact Fee	*$33,417*	*$33,417*	$0	0.0%
Wastewater/Water Capacity Charges	*$12,367*	*$12,367*	$0	0.0%
Construction Financing/ Predev. Carry	**$364,300**	**$364,300**	**$0**	0.0%
Predevelopment Carry (Savings)	*$0*	*$0*	$0	-
Construction Loan Interest	*$306,293*	*$306,293*	$0	0.0%
Construction Loan Fees (Points)	*$58,010*	*$58,010*	$0	0.0%
Other Soft Costs	**$947,100**	**$947,100**	**$0**	0.0%
Developer Margin	**$1,403,400**	**$1,403,400**	**$0**	**0.0%**
Total Cost	**$6,720,900**	**$6,790,800**	**$69,900**	**1.0%**
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$2,050,200**	**$1,980,300**	**($69,900)**	(3.4%)
Per Gross Building Square Foot	$158 /GSF	$153 /GSF	($5)	(3.4%)
Per Net Building Square Foot	$200 /NSF	$193 /NSF	($7)	(3.4%)
Without Predevelopment Savings				
Residual Land Value	**$2,050,200**	**$1,980,300**	**($69,900)**	(3.4%)
Per Gross Building Square Foot	$158 /GSF	$153 /GSF	($5)	(3.4%)
Per Net Building Square Foot	$200 /NSF	$193 /NSF	($7)	(3.4%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-2
Prototype 2 Proforma Comparison for
Base Case and Base Case TSF

2d. Summary Development Pro Forma - Van Ness Medium Residential Mixed-use

2: Van Ness Medium Res. Mixed-use	Prototype 2			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$56,819,600	$56,819,600	$0	0.0%
Office	$0	$0	$0	-
Retail	$5,740,900	$5,740,900	$0	0.0%
Total Revenues	**$62,560,500**	**$62,560,500**	**$0**	0.0%
Development Cost				
Hard Construction Costs	**$31,216,600**	**$31,216,600**	**$0**	0.0%
Residential	*$22,759,200*	*$22,759,200*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$1,819,681*	*$1,819,681*	$0	0.0%
Parking	*$3,799,880*	*$3,799,880*	$0	0.0%
Hard Cost Contingency	*$2,837,876*	*$2,837,876*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$808,747**	**$808,747**	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$808,747*	*$808,747*	$0	0.0%
Subtotal: Direct Costs	**$32,025,300**	**$32,025,300**	$0	0.0%
Soft Costs				
Environmental and Transportation Review	**$188,000**	**$188,000**	$0	0.0%
Transportation Component	*$28,000*	*$28,000*	*$0*	0.0%
Environmental Review	*$160,000*	*$160,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$403,600**	**$862,500**	**$458,900**	114%
Transit Impact Development Fee	*$149,693*	*$0*	($149,693)	
TIDF Prior Use Credit	*($149,693)*	*$0*	$149,693	
Transportation Sustainability Fee	*$0*	*$617,650*	$617,650	-
TSF Prior Use Credit	*$0*	*($158,730)*	($158,730)	-
Area Plan Impact Fees	*$0*	*$0*	$0	-
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$0*	*$0*	$0	-
School Impact Fee	*$223,257*	*$223,257*	$0	0.0%
Wastewater/Water Capacity Charges	*$180,298*	*$180,298*	$0	0.0%
Construction Financing/ Predev. Carry	**$3,235,600**	**$3,235,600**	$0	0.0%
Predevelopment Carry (Savings)	*$0*	*$0*	$0	-
Construction Loan Interest	*$2,821,839*	*$2,821,839*	$0	0.0%
Construction Loan Fees (Points)	*$413,759*	*$413,759*	$0	0.0%
Other Soft Costs	**$7,804,200**	**$7,804,200**	*$0*	0.0%
Developer Margin	**$11,886,500**	**$11,886,500**	**$0**	0.0%
Total Cost	**$55,543,200**	**$56,002,100**	**$458,900**	0.8%
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$7,017,300**	**$6,558,400**	**($458,900)**	(6.5%)
Per Gross Building Square Foot	$81 /GSF	$76 /GSF	($5)	(6.5%)
Per Net Building Square Foot	$103 /NSF	$97 /NSF	($7)	(6.5%)
Without Predevelopment Savings				
Residual Land Value	**$7,017,300**	**$6,558,400**	**($458,900)**	(6.5%)
Per Gross Building Square Foot	$81 /GSF	$76 /GSF	($5)	(6.5%)
Per Net Building Square Foot	$103 /NSF	$97 /NSF	($7)	(6.5%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-3
Prototype 3 Proforma Comparison for
Base Case TIDF and Base Case TSF

3d. Summary Development Pro Forma - Outer Mission Small Residential Mixed-use

3. Outer Mission Small Res. Mixed-use	Prototype 3			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$21,895,900	$21,895,900	$0	0.0%
Office	$0	$0	$0	-
Retail	$1,739,400	$1,739,400	$0	0.0%
Total Revenues	**$23,635,300**	**$23,635,300**	**$0**	0.0%
Development Cost				
Hard Construction Costs	**13,594,400**	**13,594,400**	$0	0.0%
Residential	*$10,458,180*	*$10,458,180*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$647,100*	*$647,100*	$0	0.0%
Parking	*$1,253,280*	*$1,253,280*	$0	0.0%
Hard Cost Contingency	*$1,235,856*	*$1,235,856*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$287,600**	**$287,600**	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$287,600*	*$287,600*	$0	0.0%
Subtotal: Direct Costs	**$13,882,000**	**$13,882,000**	$0	0.0%
Soft Costs				
Environmental and Transportation Review	**$27,000**	**$27,000**	$0	0.0%
Transportation Component	*$0*	*$0*	$0	-
Environmental Review	*$27,000*	*$27,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$201,100**	**$243,500**	**$42,400**	21%
Transit Impact Development Fee	*$44,500*	*$0*	($44,500)	
TIDF Prior Use Credit	*($44,500)*	*$0*	$44,500	
Transportation Sustainability Fee	*$0*	*$283,775*	$283,775	-
TSF Prior Use Credit	*$0*	*($241,330)*	($241,330)	-
Area Plan Impact Fees	*$0*	*$0*	$0	-
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$0*	*$0*	$0	-
School Impact Fee	*$113,457*	*$113,457*	$0	0.0%
Wastewater/Water Capacity Charges	*$87,598*	*$87,598*	$0	0.0%
Construction Financing/ Predev. Carry	**$1,188,000**	**$1,188,000**	$0	0.0%
Predevelopment Carry (Savings)	*$0*	*$0*	$0	-
Construction Loan Interest	*$1,031,699*	*$1,031,699*	$0	0.0%
Construction Loan Fees (Points)	*$156,318*	*$156,318*	$0	0.0%
Other Soft Costs	**$3,398,600**	**$3,398,600**	**$0**	0.0%
Developer Margin	**$4,018,000**	**$4,018,000**	**$0**	0.0%
Total Cost	**$22,714,700**	**$22,757,100**	**$42,400**	0.2%
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$920,600**	**$878,200**	**($42,400)**	(4.6%)
Per Gross Building Square Foot	$22	$21 /GSF	($1)	(4.6%)
Per Net Building Square Foot	$28	$27 /NSF	($1)	(4.6%)
Without Predevelopment Savings				
Residual Land Value	**$920,600**	**$878,200**	**($42,400)**	(4.6%)
Per Gross Building Square Foot	$22	$21 /GSF	($1)	(4.6%)
Per Net Building Square Foot	$28	$27 /NSF	($1)	(4.6%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-4
Prototype 4 Proforma Comparison for
Base Case and Base Case TSF

4d. Summary Development Pro Forma - Mission Small Residential Mixed Use

4: Mission Small Res. Mixed-use	Prototype 4			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$13,445,800	$13,445,800	$0	0.0%
Office	$0	$0	$0	-
Retail	$1,530,900	$1,530,900	$0	0.0%
Total Revenues	**$14,976,700**	**$14,976,700**	**$0**	0.0%
Development Cost				
Hard Construction Costs	**$6,614,500**	**$6,614,500**	**$0**	0.0%
Residential	*$5,138,640*	*$5,138,640*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$562,500*	*$562,500*	$0	0.0%
Parking	*$312,000*	*$312,000*	$0	0.0%
Hard Cost Contingency	*$601,314*	*$601,314*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$225,000**	**$225,000**	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$225,000*	*$225,000*	$0	0.0%
Subtotal: Direct Costs	**$6,839,500**	**$6,839,500**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$11,000**	**$11,000**	$0	0.0%
Transportation Component	*$0*	*$0*	$0	-
Environmental Review	*$11,000*	*$11,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$270,000**	**$293,600**	**$23,600**	9%
Transit Impact Development Fee	*$36,475*	*$0*	($36,475)	
TIDF Prior Use Credit	*($18,650)*	*$0*	$18,650	
Transportation Sustainability Fee	*$0*	*$158,414*	$158,414	-
TSF Prior Use Credit	*$0*	*($102,735)*	($102,735)	-
Area Plan Impact Fees	*$160,968*	*$160,968*	$0	0.0%
Area Plan TSF Credit	*$0*	*($14,277)*	($14,277)	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art (% of Hard cost)	*$0*	*$0*	$0	-
School Impact Fee	*$58,121*	*$58,121*	$0	0.0%
Wastewater/Water Capacity Charge	*$33,099*	*$33,099*	$0	0.0%
Construction Financing/ Predev. Carry	**$665,600**	**$665,600**	**$0**	0.0%
Predevelopment Carry (Savings)	*$0*	*$0*	$0	-
Construction Loan Interest	*$566,578*	*$566,578*	$0	0.0%
Construction Loan Fees (Points)	*$99,052*	*$99,052*	$0	0.0%
Other Soft Costs	**$1,653,600**	**$1,653,600**	**$0**	0.0%
Developer Margin	**$2,396,300**	**$2,396,300**	**$0**	0.0%
Total Cost	**$11,836,000**	**$11,859,600**	**$23,600**	0.2%
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$3,140,700**	**$3,117,100**	**($23,600)**	(0.8%)
Per Gross Building Square Foot	$141	$140 /GSF	($1)	(0.8%)
Per Net Building Square Foot	$189	$188 /NSF	($1)	(0.8%)
Without Predevelopment Savings				
Residual Land Value	**$3,140,700**	**$3,117,100**	**($23,600)**	(0.8%)
Per Gross Building Square Foot	$141	$140 /GSF	($1)	(0.8%)
Per Net Building Square Foot	$189	$188 /NSF	($1)	(0.8%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-5
Prototype 5 Proforma Comparison for
Base Case TIDF and Base Case TSF

5d. Summary Development Pro Forma - Central Waterfront Large Residential MU

5: Central Waterfront Large Res. MU	Prototype 5			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$106,807,000	$106,807,000	$0	0.0%
Office	$0	$0	$0	-
Retail	$3,126,600	$3,126,600	$0	0.0%
Total Revenues	**$109,933,600**	**$109,933,600**	$0	0.0%
Development Cost				
Hard Construction Costs	**$50,999,200**	**$50,999,200**	**$0**	0.0%
Residential	*$40,424,400*	*$40,424,400*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$1,012,500*	*$1,012,500*	$0	0.0%
Parking	*$4,926,000*	*$4,926,000*	$0	0.0%
Hard Cost Contingency	*$4,636,290*	*$4,636,290*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$450,000**	**$450,000**	**$0**	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$450,000*	*$450,000*	$0	0.0%
Subtotal: Direct Costs	**$51,449,200**	**$51,449,200**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$683,000**	**$122,000**	**($561,000)**	(82%)
Transportation Analysis	*$128,000*	*$103,000*	($25,000)	(20%)
Environmental Review	*$555,000*	*$19,000*	*($536,000)*	*(97%)*
Development Impact Fees/ Other Costs	**$2,421,400**	**$2,671,300**	**$249,900**	10%
Transit Impact Development Fee	*$72,950*	*$0*	*($72,950)*	
TIDF Prior Use Credit	*($69,350)*	*$0*	$69,350	
Transportation Sustainability Fee	*$0*	*$998,917*	*$998,917*	-
TSF Prior Use Credit	*$0*	*($577,200)*	($577,200)	-
Area Plan Impact Fees	*$1,682,573*	*$1,682,573*	$0	0.0%
Area Plan TSF Credit	*$0*	*($168,257)*	($168,257)	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	*$0*	-
Jobs-Housing Linkage Fee	*$0*	*$0*	*$0*	-
Childcare Requirement	*$0*	*$0*	*$0*	-
Downtown Parks	*$0*	*$0*	*$0*	-
Public Art Fee	*$0*	*$0*	*$0*	-
School Impact Fee	*$436,900*	*$436,900*	*$0*	0.0%
Wastewater/Water Capacity Charges	*$298,371*	*$298,371*	*$0*	0.0%
Construction Financing/ Predev. Carry	**$4,642,300**	**$4,367,400**	**($274,900)**	(5.9%)
Predevelopment Carry (Savings)	*$0*	*($274,834)*	*($274,834)*	-
Construction Loan Interest	*$4,072,668*	*$4,072,668*	*$0*	0.0%
Construction Loan Fees (Points)	*$569,604*	*$569,604*	*$0*	0.0%
Other Soft Costs	**$9,179,900**	**$9,179,900**	***$0***	0.0%
Developer Margin	**$18,688,700**	**$18,688,700**	***$0***	0.0%
Total Cost	**$87,064,500**	**$86,478,500**	**($586,000)**	(0.7%)
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$22,869,100**	**$23,455,100**	**$586,000**	2.6%
Per Gross Building Square Foot	$148	$152 /GSF	$4	2.6%
Per Net Building Square Foot	$185	$190 /NSF	$5	2.6%
Without Predevelopment Savings				
Residual Land Value	**$22,869,100**	**$22,619,200**	**($249,900)**	(1.1%)
Per Gross Building Square Foot	$148	$146 /GSF	($2)	(1.1%)
Per Net Building Square Foot	$185	$183 /NSF	($2)	(1.1%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-6
Prototype 6 Proforma Comparison for
Base Case TIDF and Base Case TSF

6d. Summary Development Pro Forma - East SoMa Medium Residential Mixed-use

6: East SoMa Medium Res. Mixed-use	Prototype 6			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$40,092,100	$40,092,100	$0	0.0%
Office	$0	$0	$0	-
Retail	$3,382,800	$3,382,800	$0	0.0%
Total Revenues	**$43,474,900**	**$43,474,900**	**$0**	0.0%
Development Cost				
Hard Construction Costs	**$21,266,900**	**$21,266,900**	**$0**	0.0%
Residential	*$16,665,000*	*$16,665,000*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$1,012,500*	*$1,012,500*	$0	0.0%
Parking	*$1,656,000*	*$1,656,000*	$0	0.0%
Hard Cost Contingency	*$1,933,350*	*$1,933,350*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$450,000**	**$450,000**	**$0**	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$450,000*	*$450,000*	$0	0.0%
Subtotal: Direct Costs	**$21,716,900**	**$21,716,900**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$119,000**	**$119,000**	**$0**	0.0%
Transportation Component	*$103,000*	*$103,000*	*$0*	*0.0%*
Environmental Review	*$16,000*	*$16,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$1,443,400**	**$1,571,000**	**$127,600**	8.8%
Transit Impact Development Fee	*$72,950*	*$0*	*($72,950)*	
TIDF Prior Use Credit	*($37,300)*	*$0*	*$37,300*	
Transportation Sustainability Fee	*$0*	*$416,005*	*$416,005*	-
TSF Prior Use Credit	*$0*	*($152,200)*	*($152,200)*	-
Area Plan Impact Fees	*$1,090,931*	*$1,090,936*	*$5*	*0.0%*
Area Plan TSF Credit	*$0*	*($100,589)*	*($100,589)*	-
TDR Purchase for FAR Increase	*$0*	*$0*	*$0*	-
Affordable Housing Fee	*$0*	*$0*	*$0*	-
Jobs-Housing Linkage Fee	*$0*	*$0*	*$0*	-
Childcare Requirement	*$0*	*$0*	*$0*	-
Downtown Parks	*$0*	*$0*	*$0*	-
Public Art Fee	*$0*	*$0*	*$0*	-
School Impact Fee	*$162,866*	*$162,866*	*$0*	*0.0%*
Wastewater/Water Capacity Charge	*$153,983*	*$153,983*	*$0*	*0.0%*
Construction Financing/ Predev. Carry	**$1,768,300**	**$1,768,300**	**$0**	0.0%
Predevelopment Carry (Savings)	*$0*	*$0*	*$0*	-
Construction Loan Interest	*$1,486,706*	*$1,486,706*	*$0*	*0.0%*
Construction Loan Fees (Points)	*$281,573*	*$281,573*	*$0*	*0.0%*
Other Soft Costs	**$3,828,000**	**$3,828,000**	**$0**	0.0%
Developer Margin	**$8,260,200**	**$8,260,200**	**$0**	**0.0%**
Total Cost	**$37,135,800**	**$37,263,400**	**$127,600**	**0.3%**
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$6,339,100**	**$6,211,500**	**($127,600)**	**(2.0%)**
Per Gross Building Square Foot	$104.69	$103 /GSF	($2)	(2.0%)
Per Net Building Square Foot	$133	$130 /NSF	($3)	(2.0%)
Without Predevelopment Savings				
Residual Land Value	**$6,339,100**	**$6,211,500**	**($127,600)**	**(2.0%)**
Per Gross Building Square Foot	$105	$103 /GSF	($2)	(2.0%)
Per Net Building Square Foot	$133	$130 /NSF	($3)	(2.0%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-7
Prototype 7 Proforma Comparison for
Base Case TIDF and Base Case TSF

7d. Summary Development Pro Forma - East SoMa Large Office

7: East SoMa Large Office	Prototype 7			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$0	$0	$0	-
Office	$174,558,100	$174,558,100	$0	0.0%
Retail	$17,231,000	$17,231,000	$0	0.0%
Total Revenues	**$191,789,100**	**$191,789,100**	**$0**	0.0%
Development Costs				
Hard Construction Costs	**$73,265,500**	**$73,265,500**	$0	0.0%
Residential	*$0*	*$0*	$0	-
Office	*$56,125,000*	*$56,125,000*	$0	0.0%
Retail (and PDR Space)	*$5,580,000*	*$5,580,000*	$0	0.0%
Parking	*$4,900,000*	*$4,900,000*	$0	0.0%
Hard Cost Contingency	*$6,660,500*	*$6,660,500*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$19,410,500**	**$19,410,500**	$0	0.0%
Office	*$17,178,500*	*$17,178,500*	$0	0.0%
Retail	*$2,232,000*	*$2,232,000*	$0	0.0%
Subtotal: Direct Costs	**$92,676,000**	**$92,676,000**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$979,000**	**$884,000**	**($95,000)**	(10%)
Transportation Component	*$228,000*	*$178,000*	($50,000)	(22%)
Environmental Review	*$751,000*	*$706,000*	*($45,000)*	*(6.0%)*
Development Impact Fees/ Other Costs	**$14,705,700**	**$14,828,400**	**$122,700**	0.8%
Transit Impact Development Fee	*$3,475,647*	*$0*	($3,475,647)	
TIDF Prior Use Credit	*($87,540)*	*$0*	$87,540	
Transportation Sustainability Fee	*$0*	*$3,597,399*	$3,597,399	-
TSF Prior Use Credit	*$0*	*($86,580)*	($86,580)	-
Area Plan Impact Fees	*$4,133,667*	*$4,133,667*	$0	0.0%
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$0*	*$0*	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$5,816,231*	*$5,816,231*	$0	0.0%
Childcare Requirement	*$271,645*	*$271,645*	$0	0.0%
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$732,655*	*$732,655*	$0	0.0%
School Impact Fee	*$93,357*	*$93,357*	$0	0.0%
Wastewater/Water Capacity Charges	*$270,026*	*$270,026*	$0	0.0%
Construction Financing/ Predev. Carry	**$10,831,600**	**$10,352,100**	**($479,500)**	(4.4%)
Predevelopment Carry (Savings)	*$0*	*($479,473)*	*($479,473)*	-
Construction Loan Interest	*$9,837,887*	*$9,837,887*	*$0*	0.0%
Construction Loan Fees (Points)	*$993,726*	*$993,726*	*$0*	0.0%
Other Soft Costs	**$13,187,800**	**$13,187,800**	***$0***	0.0%
Developer Margin	**$30,686,300**	**$30,686,300**	**$0**	0.0%
Total Cost	**$163,066,400**	**$162,614,600**	**($451,800)**	(0.3%)
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$28,722,700**	**$29,174,500**	**$451,800**	1.6%
Per Gross Building Square Foot	$115	$117	$2	1.6%
Per Net Building Square Foot	$128	$130	$2	1.6%
Without Predevelopment Savings				
Residual Land Value	**$28,722,700**	**$28,600,000**	**($122,700)**	(0.4%)
Per Gross Building Square Foot	$115	$115	($0)	(0.4%)
Per Net Building Square Foot	$128	$127	($1)	(0.4%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-8
Prototype 8 Proforma Comparison for
Base Case TIDF and Base Case TSF

8d. Summary Development Pro Forma - East SoMa Large Residential

8: East SoMa Large Res. Mixed-use	Prototype 8			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$127,277,500	$127,277,500	$0	0.0%
Office	$0	$0	$0	-
Retail	$5,162,500	$5,162,500	$0	0.0%
Total Revenues	**$132,440,000**	**$132,440,000**	**$0**	0.0%
Development Cost			$0	-
Hard Construction Costs	**$60,567,200**	**$60,567,200**	**$0**	0.0%
Residential	*$48,243,200*	*$48,243,200*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$1,687,500*	*$1,687,500*	$0	0.0%
Parking	*$5,130,400*	*$5,130,400*	$0	0.0%
Hard Cost Contingency	$5,506,110	$5,506,110	$0	0.0%
Tenant Improvements/Lease Up Costs	**$675,000**	**$675,000**	**$0**	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$675,000*	*$675,000*	$0	0.0%
Subtotal: Direct Costs	**$61,242,200**	**$61,242,200**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$144,000**	**$119,000**	**($25,000)**	(17%)
Transportation Component	*$128,000*	*$103,000*	*($25,000)*	*(20%)*
Environmental Review	*$16,000*	*$16,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$3,917,200**	**$4,556,400**	**$639,200**	16%
Transit Impact Development Fee	*$109,425*	*$0*	($109,425)	(100%)
TIDF Prior Use Credit	*$0*	*$0*	$0	-
Transportation Sustainability Fee	*$0*	*$1,041,429*	$1,041,429	-
TSF Prior Use Credit	*$0*	*$0*	$0	-
Area Plan Impact Fees	*$3,055,184*	*$3,055,189*	$5	0.0%
Area Plan TSF Credit	$0	($292,776)	($292,776)	-
TDR Purchase for FAR Increase	$0	$0	$0	-
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$0*	*$0*	$0	-
School Impact Fee	*$440,534*	*$440,534*	$0	0.0%
Wastewater/Water Capacity Charges	*$312,023*	*$312,023*	$0	0.0%
Construction Financing/ Predev. Carry	**$9,179,700**	**$8,848,600**	**($331,100)**	(3.6%)
Predevelopment Carry (Savings)	*$0*	*($331,100)*	($331,100)	-
Construction Loan Interest	*$8,478,963*	*$8,478,963*	$0	0.0%
Construction Loan Fees (Points)	*$700,741*	*$700,741*	$0	0.0%
Other Soft Costs	**$15,141,800**	**$15,141,800**	**$0**	0.0%
Developer Margin	**$29,136,800**	**$29,136,800**	**$0**	0.0%
Total Cost	**118,761,700**	**119,044,800**	**$283,100**	0.2%
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$13,678,300**	**$13,395,200**	**($283,100)**	(2.1%)
Per Gross Building Square Foot	$86	$85 /GSF	($2)	(2.1%)
Per Net Building Square Foot	$108	$106 /NSF	($2)	(2.1%)
Without Predevelopment Savings				
Residual Land Value	**$13,678,300**	**$13,039,100**	**($639,200)**	(4.7%)
Per Gross Building Square Foot	$86	$82 /GSF	($4)	(4.7%)
Per Net Building Square Foot	$108	$103 /NSF	($5)	(4.7%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-9
Prototype 9 Proforma Comparison for
Base Case TIDF and Base Case TSF

9d. Summary of Financial Indicators - Transit Center Large Residential

9: Transit Center Large Residential	Prototype 9			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	$307,630,600	$307,630,600	$0	0.0%
Office	$0	$0	$0	-
Retail	$0	$0	$0	-
Total Revenues	**$307,630,600**	**$307,630,600**	**$0**	0.0%
Development Costs				
Hard Construction Costs	**$132,220,000**	**$132,220,000**	$0	0.0%
Residential	*$113,135,000*	*$113,135,000*	$0	0.0%
Office	*$0*	*$0*	$0	-
Retail	*$0*	*$0*	$0	-
Parking	*$7,065,000*	*$7,065,000*	$0	0.0%
Hard Cost Contingency	*$12,020,000*	*$12,020,000*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$0**	**$0**	**$0**	-
Office	*$0*	*$0*	$0	-
Retail	*$0*	*$0*	$0	-
Subtotal: Direct Costs	**$132,220,000**	**$132,220,000**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$149,000**	**$124,000**	**($25,000)**	(20%)
Transportation Component	*$128,000*	*$103,000*	($25,000)	(24%)
Environmental Review	*$21,000*	*$21,000*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$22,389,200**	**$24,448,900**	**$2,059,700**	8.4%
Transit Impact Development Fee	*$0*	*$0*	$0	-
TIDF Prior Use Credit	*$0*	*$0*	$0	-
Transportation Sustainability Fee	*$0*	*$2,059,723*	$2,059,723	100%
TSF Prior Use Credit	*$0*	*$0*	$0	-
Area Plan Impact Fees	*$3,879,437*	*$3,879,444*	$7	0.0%
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$1,350,000*	*$1,350,000*	$0	0.0%
Affordable Housing Fee	*$12,117,716*	*$12,117,716*	$0	0.0%
Jobs-Housing Linkage Fee	*$0*	*$0*	$0	-
Childcare Requirement	*$0*	*$0*	$0	-
Downtown Parks	*$0*	*$0*	$0	-
Public Art Fee	*$1,256,090*	*$1,256,090*	$0	0.0%
School Impact Fee	*$968,303*	*$968,303*	$0	0.0%
Wastewater/Water Capacity Charges	*$477,622*	*$477,622*	$0	0.0%
Mello Roos Special Tax Contribution	*$2,340,019*	*$2,340,019*	$0	0.0%
Construction Financing/ Predev. Carry	**$26,246,300**	**$25,477,200**	**($769,100)**	(3.0%)
Predevelopment Carry	*$0*	*($769,077)*	($769,077)	100%
Construction Loan Interest	*$24,618,584*	*$24,618,584*	$0	0.0%
Construction Loan Fees (Points)	*$1,627,675*	*$1,627,675*	$0	0.0%
Other Soft Costs	**$33,055,000**	**$33,055,000**	**$0**	**0.0%**
Developer Margin	**$67,678,700**	**$67,678,700**	**$0**	**0.0%**
Total Cost	**$281,738,200**	**$283,003,800**	**$1,265,600**	0.4%
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$25,892,400**	**$24,626,800**	**($1,265,600)**	(5.1%)
Per Gross Building Square Foot	$78	$74 /GSF	($4)	(5.1%)
Per Net Building Square Foot	$107	$102 /NSF	($5)	(5.1%)
Without Predevelopment Savings				
Residual Land Value	**$25,892,400**	**$23,832,700**	**($2,059,700)**	(8.6%)
Per Gross Building Square Foot	$78	$72 /GSF	($6)	(8.6%)
Per Net Building Square Foot	$107	$99 /NSF	($9)	(8.6%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table B-10
Prototype 10 Proforma Comparison for
Base Case TIDF and Base Case TSF

10d. Summary Development Pro Forma - Transit Center Large Office

10: Transit Center Large Office	Prototype 10			
	Base Case TIDF	Base Case TSF	Difference	Percent
Revenues				
Residential	*$0*	*$0*	$0	-
Office	*$319,920,700*	*$319,920,700*	$0	0.0%
Retail	*$9,881,600*	*$9,881,600*	$0	0.0%
Total Revenues	**$329,802,300**	**$329,802,300**	**$0**	0.0%
Development Costs				
Hard Construction Costs	**$127,821,800**	**$127,821,800**	**$0**	0.0%
Residential	*$0*	*$0*	$0	-
Office	*$111,150,000*	*$111,150,000*	$0	0.0%
Retail	*$2,880,000*	*$2,880,000*	$0	0.0%
Parking	*$2,171,680*	*$2,171,680*	$0	0.0%
Hard Cost Contingency	*$11,620,168*	*$11,620,168*	$0	0.0%
Tenant Improvements/Lease Up Costs	**$32,030,000**	**$32,030,000**	**$0**	0.0%
Office	*$30,750,000*	*$30,750,000*	$0	0.0%
Retail	*$1,280,000*	*$1,280,000*	$0	0.0%
Subtotal: Direct Costs	**$159,851,800**	**$159,851,800**	**$0**	0.0%
Soft Costs				
Environmental and Transportation Review	**$249,200**	**$199,200**	**($50,000)**	(25%)
Transportation Component	*$228,000*	*$178,000*	($50,000)	(28%)
Environmental Review	*$21,239*	*$21,239*	*$0*	*0.0%*
Development Impact Fees/ Other Costs	**$30,290,600**	**$30,495,800**	**$205,200**	0.7%
Transit Impact Development Fee	*$5,346,013*	*$0*	($5,346,013)	-
TIDF Prior Use Credit	*$0*	*$0*	$0	-
Transportation Sustainability Fee	*$0*	*$5,551,221*	$5,551,221	100%
TSF Prior Use Credit	*$0*	*$0*	$0	-
Area Plan Impact Fees	*$9,182,904*	*$9,182,908*	$4	0.0%
Area Plan TSF Credit	*$0*	*$0*	$0	-
TDR Purchase for FAR Increase	*$1,800,000*	*$1,800,000*	$0	0.0%
Affordable Housing Fee	*$0*	*$0*	$0	-
Jobs-Housing Linkage Fee	*$9,221,479*	*$9,221,479*	$0	0.0%
Childcare Requirement	*$448,305*	*$448,305*	$0	0.0%
Downtown Parks	*$900,315*	*$900,315*	$0	0.0%
Public Art Fee	*$1,278,218*	*$1,278,218*	$0	0.0%
School Impact Fee	*$147,575*	*$147,575*	$0	0.0%
Wastewater/Water Capacity Charges	*$292,972*	*$292,972*	$0	0.0%
Mello Roos Special Tax Contribution	*$1,672,808*	*$1,672,808*	$0	0.0%
Construction Financing/ Predev. Carry	**$21,445,700**	**$20,621,200**	**($824,500)**	(4.0%)
Predevelopment Carry (Savings)	*$0*	*($824,506)*	($824,506)	100%
Construction Loan Interest	*$19,736,871*	*$19,736,871*	$0	0.0%
Construction Loan Fees (Points)	*$1,708,820*	*$1,708,820*	$0	0.0%
Other Soft Costs	**$23,007,900**	**$23,007,900**	**$0**	0.0%
Developer Margin	**$52,768,400**	**$52,768,400**	**$0**	0.0%
Total Cost	**$287,613,600**	**$286,944,300**	**($669,300)**	(0.2%)
Residual Land Value (RLV)				
With Predevelopment Savings				
Residual Land Value	**$42,188,700**	**$42,858,000**	**$669,300**	1.6%
Per Gross Building Square Foot	$110	$111 /GSF	$2	1.6%
Per Net Building Square Foot	$132	$134 /NSF	$2	1.6%
Without Predevelopment Savings				
Residual Land Value	**$42,188,700**	**$41,983,500**	**($205,200)**	(0.5%)
Per Gross Building Square Foot	$110	$109 /GSF	($1)	(0.5%)
Per Net Building Square Foot	$132	$131 /NSF	($1)	(0.5%)

Note: Key numbers rounded to nearest $100. Development Impact Fees/ Other Costs include all applicable impact fees (including TIDF or TSF), plus any upfront developer payment for TDR purchase and Mello Roos special tax.

Appendix Table C-1a
Revenue Assumptions

General Development Assumptions (Height)	Prototype 1 45'	Prototype 2 80'	Prototype 3 65'	Prototype 4 55'	Prototype 5 65'
Primary Land Use Type	Residential	Residential	Residential	Residential	Residential
Construction Type	Low-Rise	Mid-Rise	Mid-Rise	Low-Rise	Mid-Rise
Geography	Geary	Van Ness	Outer Mission	Mission	Central Waterfront
Land Use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
Housing Type / Units or Nonresidential SF	Owner 8	Owner 60	Owner 24	Owner 15	Rental 156
Revenue Assumptions					
Typical Residential Unit Size	1,100 NSF	997 NSF	1,250 NSF	955 NSF	762 NSF
Sale Price Per Unit	*$1,045,000 Per Unit*	*$1,096,700 Per Unit*	*$1,062,500 Per Unit*	*$1,050,500 Per Unit*	- *Per Unit*
Sales Price / NSF	$950 /NSF	$1,100 /NSF	$850 /NSF	$1,100 /NSF	- /NSF
Sales Expense Rate	5.5%	5.5%	5.5%	5.5%	3.5%
Residential Rental					
Annual Lease Rate/SF					$66.00 /NSF
Net Operating Income					$42.90 /NSF
Capitalization Rate					4.5%
Typical Market Value/SF					*$953 /NSF*
Office					
Annual Lease Rate/SF (NNN)					
Net Operating Income					
Capitalization Rate					
Typical Market Value/SF					
Retail					
Annual Lease Rate/SF	$48.00 /NSF	$54.00 /NSF	$48.00 /NSF	$54.00 /NSF	$54.00 /NSF
Net Operating Income	$38.40 /NSF	$43.20 /NSF	$38.40 /NSF	$43.20 /NSF	$43.20 /NSF
Capitalization Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Typical Market Value/SF	*$640 /NSF*	*$720 /NSF*	*$640 /NSF*	*$720 /NSF*	*$720 /NSF*
Parking Revenue/Space/year					
Residential					$4,200
Retail	$1,200	$1,200	$1,200	$1,200	$1,800
Office					

Source: San Francisco Planning Department, San Francisco Municipal Transportation Agency, San Francisco Office of the Controller, San Francisco Office of Economic and Workforce Development, San Francisco Mayor's Office of Housing and Community Development, San Francisco Unified School District, San Francisco Public Utilities Commission, Keyser Marston Associates, The Concord Group, Polaris Pacific, The Mark Company, CBRE, Colliers International and DTZ Retail Terranomics, Clifford Advisory and Seifel Consulting Inc.

Appendix Table C-1b
Revenue Assumptions

General Development Assumptions (Height)	Prototype 6 85'	Prototype 7 160'	Prototype 8 160'	Prototype 9 400'	Prototype 10 400'
Primary Land Use Type	Residential	Office	Residential	Residential	Office
Construction Type	Mid-Rise	High-Rise	High-Rise	High-Rise	High-Rise
Geography	East SoMa	East SoMa Office	East SoMa	Transit Center	Transit Center
Land Use	Mixed-use	Office	Mixed-use	Residential	Office
Housing Type / Units or Nonresidential SF	Rental 60	N/A 224,420	Owner 128	Owner 229	N/A 320,300
Revenue Assumptions					
Typical Residential Unit Size	719 NSF	-	942 NSF	1,053 NSF	-
Sale Price Per Unit	- *Per Unit*	-	*$1,153,950 Per Unit*	*$1,421,550 Per Unit*	-
Sales Price / NSF	- /NSF	-	$1,225 /NSF	$1,350 /NSF	- /NSF
Sales Expense Rate	3.5%	3.5%	5.5%	5.5%	3.5%
Residential Rental					
Annual Lease Rate/SF	$69.00 /NSF	-			
Net Operating Income	$44.85 /NSF				
Capitalization Rate	4.5%				
Typical Market Value/SF	*$997 /NSF*				
Office					
Annual Lease Rate/SF (NNN)		$54.00 /NSF			$66.00 /NSF
Net Operating Income		$43.20 /NSF			$52.80 /NSF
Capitalization Rate		5.0%			5.0%
Typical Market Value/SF		*$864 /NSF*			*$1,056 /NSF*
Retail					
Annual Lease Rate/SF	$54.00 /NSF	$60.00 /NSF	$60.00 /NSF	$60.00 /NSF	$60.00 /NSF
Net Operating Income	$43.20 /NSF	$48.00 /NSF	$48.00 /NSF	$48.00 /NSF	$48.00 /NSF
Capitalization Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Typical Market Value/SF	*$720 /NSF*	*$800 /NSF*	*$800 /NSF*	*$800 /NSF*	*$800 /NSF*
Parking Revenue/Space/year					
Residential	$4,200				
Retail	$1,800	$1,800	$1,800	$1,800	$1,800
Office		$5,400			$5,400

Source: San Francisco Planning Department, San Francisco Municipal Transportation Agency, San Francisco Office of the Controller, San Francisco Office of Economic and Workforce Development, San Francisco Mayor's Office of Housing and Community Development, San Francisco Unified School District, San Francisco Public Utilities Commission, Keyser Marston Associates, The Concord Group, Polaris Pacific, The Mark Company, CBRE, Colliers International and DTZ Retail Terranomics, Clifford Advisory and Seifel Consulting Inc.

Appendix Table C-2a
Development Cost Assumptions

General Development Assumptions (Height)	Prototype 1 45'	Prototype 2 80'	Prototype 3 65'	Prototype 4 55'	Prototype 5 65'
Primary Land Use Type	Residential	Residential	Residential	Residential	Residential
Construction Type	Low-Rise	Mid-Rise	Mid-Rise	Low-Rise	Mid-Rise
Geography	Geary	Van Ness	Outer Mission	Mission	Central Waterfront
Land Use	Mixed-use	Mixed-use	Mixed-use	Mixed-use	Mixed-use
Housing Type / Units or Nonresidential SF	Owner 8	Owner 60	Owner 24	Owner 15	Rental 156
Development Costs					
Hard Construction Costs					
Residential	$240	$300	$270	$260	$270
Office					
Retail	$225 /GSF	$225 /GSF	$225 /GSF	$225 /GSF	$225 /GSF
Parking	$120 /GSF	$140 /GSF	$120 /GSF	$120 /GSF	$140 /GSF
Stacker cost	$15,000 /space	$15,000 /space	$15,000 /space	$15,000 /space	$15,000 /space
Parking Construction Type	Podium (1)	Underground (1)	Podium (1)	Podium (1)	Underground (1)
Hard Construction Costs/ GSF	**$293** /GSF	**$362** /GSF	**$325** /GSF	**$297** /GSF	**$330** /GSF
Office Tenant Improvements/Lease Up Costs	$85 /LSF	$85 /LSF	$85 /LSF	$85 /LSF	$85 /LSF
Retail Tenant Improvements/Lease Up Costs	$100 /LSF	$100 /LSF	$100 /LSF	$100 /LSF	$100 /LSF
Direct Construction Costs/ NSF	**$384** /NSF	**$472** /NSF	**$422** /NSF	**$413** /NSF	**$417** /NSF
Direct Construction Costs/ Unit	**$491,550** /Unit	**$533,755** /Unit	**$578,417** /Unit	**$440,967** /Unit	**$329,803** /Unit
Soft Costs					
Transportation and Environmental Review					
Transportation Review					
SF Planning	$0 Value	$23,365 Value	$0 Value	$0 Value	$23,365 Value
SFMTA	$0 Value	$4,494 Value	$0 Value	$0 Value	$4,494 Value
Transp. Consultant	$0 Value	$0 Value	$0 Value	$0 Value	$100,000 Value
TSP Cost Savings	*$0* Value	*$0* Value	*$0* Value	*$0* Value	*$25,000* Value
Environmental Review					
SF Planning	$9,295 Value	$84,855 Value	$27,347 Value	$11,466 Value	$405,346 Value
TSP Cost Savings	*$0* Value	*$0* Value	*$0* Value	*$0* Value	*$386,280* Value
CEQA Consultant	$0 Value	$75,000 Value	$0 Value	$0 Value	$150,000 Value
TSP Cost Savings	*$0* Value	*$0* Value	*$0* Value	*$0* Value	*$150,000* Value
Development Impact Fees/ Other Costs					
Transit Impact Development Fee					
Residential	$0.0 /GSF	$0.0 /GSF	$0.0 /GSF	$0.0 /GSF	$0.0 /GSF
Office	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF
Retail	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF
Transportation Sustainability Fee					
Residential	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF
Non-Residential (Office)	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF
Non-Residential (Retail)	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF
Area Plan Impact Fees	$0 Value	$0 Value	$0 Value	$160,968 Value	$1,682,573 Value
TDR Purchase for FAR					
Affordable Housing Fee	$0.0 Value	$0 Value	$0.0 Value	$0.0 Value	$0 Value
Jobs-Housing Linkage Fee					
Office					
Retail					
Childcare Fee (Office)					
Downtown Parks Fee (Office)					
Public Art Fee (Non-Residential)					
School Impact Fee					
Residential	$2.91 /GSF	$2.91 /GSF	$2.91 /GSF	$2.91 /GSF	$2.91 /GSF
Office	$0.389 /GSF	$0.389 /GSF	$0.389 /GSF	$0.389 /GSF	$0.389 /GSF
Retail	$0.243 /GSF	$0.243 /GSF	$0.243 /GSF	$0.243 /GSF	$0.243 /GSF
Wastewater/Water Capacity Charges					
Total Charges	$12,367 Value	$180,298 Value	$87,598 Value	$33,099 Value	$298,371 Value
Mello Roos Special Tax During Sale/Lease-Up					
Construction Financing					
Construction Timing	24 Months	31 Months	30 Months	26 Months	26 Months
Construction Interest Rate	5.5%	5.5%	5.5%	5.5%	5.5%
Loan Fee (Points) as a % of Loan Amount	1.25%	1.25%	1.25%	1.25%	1.00%
Other Soft Costs (as a % of Hard Costs)	25%	25%	25%	25%	18%
Target Return on Total Development Cost	19%	23%	21%	19%	21%
Developer Margin (as a % of Value/Net Proceeds)	16%	19%	17%	16%	17%

Appendix Table C-2b
Development Cost Assumptions

General Development Assumptions (Height)	Prototype 6 85'	Prototype 7 160'	Prototype 8 160'	Prototype 9 400'	Prototype 10 400'
Primary Land Use Type	Residential	Office	Residential	Residential	Office
Construction Type	Mid-Rise	High-Rise	High-Rise	High-Rise	High-Rise
Geography	East SoMa	East SoMa Office	East SoMa	Transit Center	Transit Center
Land Use	Mixed-use	Office	Mixed-use	Residential	Office
Housing Type / Units or Nonresidential SF	Rental 60	N/A 224,420	Owner 128	Owner 229	N/A 320,300
Retail	$225 /GSF	$225 /GSF	$225 /GSF	$225 /GSF	$225 /GSF
Parking	$140 /GSF	$140 /GSF	$160 /GSF	$160 /GSF	$160 /GSF
Stacker cost	$15,000 /space	$15,000 /space	$15,000 /space	$15,000 /space	$15,000 /space
Parking Construction Type	Underground (1)	Underground (1)	Underground (2)	Underground (2)	Underground (2)
Hard Construction Costs/ GSF	**$351** /GSF	**$294** /GSF	**$383** /GSF	**$397** /GSF	**$332** /GSF
Office Tenant Improvements/Lease Up Costs	$85 /LSF	$85 /LSF	$85 /LSF	$85 /LSF	$85 /LSF
Retail Tenant Improvements/Lease Up Costs	$100 /LSF	$100 /LSF	$100 /LSF	$100 /LSF	$100 /LSF
Direct Construction Costs/ NSF	**$456** /NSF	**$413** /NSF	**$484** /NSF	**$548** /NSF	**$499** /NSF
Direct Construction Costs/ Unit	**$361,948** /Unit	**NA** /Unit	**$478,455** /Unit	**$577,380** /Unit	**NA** /Unit
Soft Costs					
Transportation and Environmental Review					
Transportation Review					
SF Planning	$23,365 Value	$23,365 Value	$23,365 Value	$23,365 Value	$23,365 Value
SFMTA	$4,494 Value	$4,494 Value	$4,494 Value	$4,494 Value	$4,494 Value
Transp. Consultant	$75,000 Value	$200,000 Value	$100,000 Value	$100,000 Value	$200,000 Value
TSP Cost Savings	*$0* Value	*$50,000* Value	*$25,000* Value	*$25,000* Value	*$50,000* Value
Environmental Review					
SF Planning	$16,386 Value	$450,852 Value	$16,368 Value	$21,239 Value	$21,239 Value
TSP Cost Savings	*$0* Value	*$0* Value	*$0* Value	*$0* Value	*$0* Value
CEQA Consultant	$0 Value	$300,000 Value	$0 Value	$0 Value	$0 Value
TSP Cost Savings	*$0* Value	*$45,000* Value	*$0* Value	*$0* Value	*$0* Value
Development Impact Fees/ Other Costs					
Transit Impact Development Fee					
Residential	$0.0 /GSF	$0.0 /GSF	$0.00 /GSF	$0.0 /GSF	$0.0 /GSF
Office	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF	$13.87 /GSF
Retail	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF	$14.59 /GSF
Transportation Sustainability Fee					
Residential	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF	$6.19 /GSF
Non-Residential (Office)	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF
Non-Residential (Retail)	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF	$14.43 /GSF
Area Plan Impact Fees	$1,090,931 Value	$4,133,667 Value	$3,055,184 values	$3,879,437 Value	$9,182,904 Value
TDR Purchase for FAR				$1,350,000 Value	$1,800,000 Value
Affordable Housing Fee	$3,460,928 Value	$0.0 Value	$7,036,437 Value	$12,117,716 Value	$0.0 Value
Jobs-Housing Linkage Fee					
Office		$24.03 /GSF			$24.03 /GSF
Retail					$22.42 /GSF
Childcare Fee (Office)		$1.21 /Office GSF	$1.16 /Office GSF	$1.16 /Office GSF	$1.21 /Office GSF
Downtown Parks Fee (Office)		$0.00 /Office GSF	$2.31 /Office GSF	$2.31 /Office GSF	$2.43 /Office GSF
Public Art Fee (Non-Residential)		1% of Hard costs		1% of Hard costs	1% of Hard costs
School Impact Fee					
Residential	$2.91 /GSF	$2.91 /GSF	$2.91 /GSF	$2.91 /GSF	$0.0 /GSF
Office	$0.389 /GSF	$0.389 /GSF	$0.39 /GSF	$0.389 /GSF	$0.39 /GSF
Retail	$0.243 /GSF	$0.243 /GSF	$0.24 /GSF	$0.243 /GSF	$0.24 /GSF
Wastewater/Water Capacity Charges					
Total Charges	$153,983 Value	$270,026 Value	$312,023 Value	$477,622 Value	$292,972 Value
Mello Roos Special Tax During Sale/Lease-Up				$6.88 /Resid. NSF	$4.36 /Office NSF
Construction Financing					
Construction Timing	24 Months	36 Months	44 Months	55 Months	42 Months
Construction Interest Rate	5.5%	5.5%	5.5%	5.5%	5.5%
Loan Fee (Points) as a % of Loan Amount	1.25%	1.0%	1.0%	1.0%	1.0%
Other Soft Costs (as a % of Hard Costs)	18%	18%	25%	25%	18%
Target Return on Total Development Cost	23%	19%	29%	29%	19%
Developer Margin (as a % of Value/Net Proceeds)	19%	16%	22%	22%	16%

TSF Outreach: Spring/Summer 2015			
Updated: August 6, 2015			
Internal Stakeholders			
Who	**Format**	**When**	
Ed Reiskin, John Rahaim, Tilly Chang, Gillian Gillett, Ken Rich, Gil Kelley, Tom Maguire	Briefing	complete	
Steve Kawa, Nicole Wheaton	Briefing	complete	
Sup. Wiener, Andres	Briefing	complete	
Sup. Yee, Matthias	Briefing	complete	
Sup. Avalos, Aide(s)	Briefing	complete	
Sup. Kim, Sunny	Briefing	complete	
Sup. Mar, Peter	Briefing	complete	
Sup. Campos, Aide(s)	Briefing	complete	
Sup. Farrell, Aide(s)	Briefing	complete	
Sup. Breed, Connor	Briefing	complete	
Sup. Tang, Aide(s)	Briefing	complete	
Sup. Cohen, Andrea	Briefing	complete	
Sup. Christensen, Aide(s)	Briefing	complete	
Kate Howard, Ben Rosenfield	Briefing	complete	
Tom Nolan, Gwyneth Borden	Briefing	complete	
Naomi Kelly, Brian Strong	Briefing	complete	
MOH (Olsen, Sophie)	Briefing	complete	
External Stakeholders			
Muni equity group (CCHO, CCDC,HSN, TRU)	Meeting with discussion	complete	
HAC	Presentation	complete	
SPUR: Ratna and Kristy	Meeting with discussion	complete	
RBA	Meeting with discussion	complete	
Chamber of Commerce	Meeting with discussion	complete; follow-up meeting secheduled for 8/20	
Regina Dick-Endrizzi	Meeting with discussion	complete	
SFBC, Walk SF, League of Conservation Voters	Meeting with discussion	complete	
Hospital Council	Meeting with discussion	complete	
BART	Meeting with discussion	complete	

Land use attorneys (Reuben & Junius lunchtime forum)	Meeting with discussion	complete	
Large developers (presentation at SFCTA)	Meeting with discussion	complete	
SFMTA Board Policy and Governance Committee	Presentation	complete	
Cindy Wu, Rodney Fong (Planning Commissioners)	Briefing	complete	
T. Radulovich	Briefing	complete	
N. Josefowitz, J. Kass	Briefing	complete	
CACs and Committees			
EN CAC	Informational Presentation	complete	
MO CAC	Informational Presentation	complete	
TA CAC	Presentation	complete	
MTA CAC	Presentation	complete	
Small Business Commission	Presentation	August 10, 2015	
Capital Planning Committee	Presentation	September 14, 2015	
SFCTA Board	Presentation	July 29, 2015	
M/O and EN CAC	Presentation	August 17th, 2015	
Legislative Hearings			
Legislation introduced		July 21, 2015	
Planning Commission - informational	Hearing	August 6, 2015	
MTAB	Hearing	September 1, 2015	
Planning Commission - fee adoption	Hearing	September 10, 2015	
Land Use	Hearing	September 21, 2015	
Full BOS - 1st read	Hearing	September 29, 2015	
Full BOS - 2nd read	Hearing	October 6, 2015	

August 26, 2015

Planning Commission
Commission Chambers
Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

RE: Support for the Transportation Sustainability Project

Dear Commissioners,

The Market Octavia Community Advisory Committee supports the adoption of the Transportation Sustainability Project, and its Transportation Sustainability Fee component.

The Market and Octavia Plan necessitates investments in transportation infrastructure to achieve its goals of encouraging travel by public transit and other sustainable transportation modes, and reducing traffic congestion.

Over the next 20 years, the Market and Octavia Plan anticipates roughly 6,000 new housing units, and transit service will need to enhanced to meet this demand. Current transit service within the plan area is at or exceeding capacity.

Successful implementation of the Market and Octavia plan requires adequate investment in transportation improvements in coordination with new development. The proposed Transportation Sustainability Fee will provide revenue to help meet the need for transportation and complete streets improvements generated by new development in San Francisco. Additionally, the expenditure of funds generated by the proposed Transportation Sustainability Fee prioritizes specific projects identified in Area Plans.

The Market and Octavia Community Advisory Committee asks the Commission to support the Transportation Sustainability Project, its Transportation Sustainability Fee component and the policy of prioritizing projects in the areas of the city where new growth is occurring, such as the Market and Octavia Plan Area.

Sincerely,

Jason Henderson, Chair
Krute Singa, Vice Chair

SAN FRANCISCO
PLANNING DEPARTMENT

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DATE:	**September 9, 2015**
TO:	**Members, Planning Commission**
FROM:	**Adam Varat, Senior Planner; and Lisa Chen, Planner; Citywide Division, San Francisco Planning Department**
RE:	**Changes to Proposed Transportation Sustainability Fee Ordinance in September 8, 2015 Substitute Legislation [Board of Supervisors (BOS) file no. 150790]**

On July 21, 2015, Mayor Lee and co-sponsoring Supervisors Wiener, Breed, and Christensen introduced legislation at the Board of Supervisors that would establish a Citywide impact fee, the Transportation Sustainability Fee (TSF), which would replace the Transit Impact Development Fee (TIDF) and expand applicability to market-rate residential projects and some institutional uses. The TSF is one component of the Transportation Sustainability Program (TSP), an interagency effort by the Mayor's Office, the Planning Department, the San Francisco County Transportation Authority, and the San Francisco Municipal Transportation Agency aimed at improving and expanding the transportation system to accommodate new growth through three policy initiatives: 1) the TSF; 2) the Level of Service (LOS) reform effort in coordination with statewide changes to the California Environmental Quality Act (CEQA); and, 3) a Transportation Demand Management (TDM) program to encourage use of more environmentally-friendly modes of travel such as transit, walking, and biking. The Planning Commission heard an informational presentation on the TSP at the August 6th, 2015 hearing.

The proposed TSF will be heard by the Planning Commission on September 10, 2015 for Commission action. On September 8, 2015, Supervisors Wiener, Breed, and Christensen introduced substitute legislation to BOS Ordinance no. 150790, adding clarifying language intended to improve administration and application of the proposed TSF. These modifications are minor and non-substantive in nature, and include language on the timing of payment, the exemptions for small businesses and HOPE SF projects, grandfathering projects that have submitted a development application, and the middle-income housing eligibility threshold. This memo explains these modifications to proposed TSF Ordinance.

Timing of payment

The substitute Ordinance added language to state explicitly that the fee must be paid by project sponsors at the time the City issues the first construction document (Planning Code Section 411A.3(c)). This does not represent a change to the proposal, and it only serves to make the TSF fee timing explicit and consistent with all other fees in Planning Code Article 4.

Application of the middle-income housing fee exemption

The Ordinance as introduced included language in Section 406 (Waiver, Reduction or Adjustment of Development Project Requirements) that would exempt middle-income residential projects (targeting households earning up to 150% of Area Median Income) from the TSF and a number of Area Plan fees under Article 4. The substitute ordinance modified this language to clarify that this exemption would only be available for the TSF, and not for any Area Plan fees.

Application of the exemption for HOPE SF projects

The substitute Ordinance added language in Section 406 that would explicitly exempt all uses within a HOPE SF Project Area from paying the TSF. In other words, all residential uses, whether affordable or market-rate, as well as non-residential and PDR uses would be exempt. The previous Ordinance as introduced exempted only market-rate and affordable housing units. The substitute Ordinance also clarifies that HOPE SF projects would still be required to pay all other applicable fees under Article 4, including Area Plan fees.

Application of the small business exemption:

The substitute Ordinance added language to Section 411A.3(b)6 to clarify that the small business exemption (defined as less than 5,000 gross square feet) would also apply to multiple qualifying spaces within a single building or project (for example, it would apply to multiple small businesses that co-locate in a single facility). In the Ordinance as introduced, the exemption would only apply to multiple small businesses if their spaces are cumulatively less than 5,000 gross square feet.

Grandfathering provision:

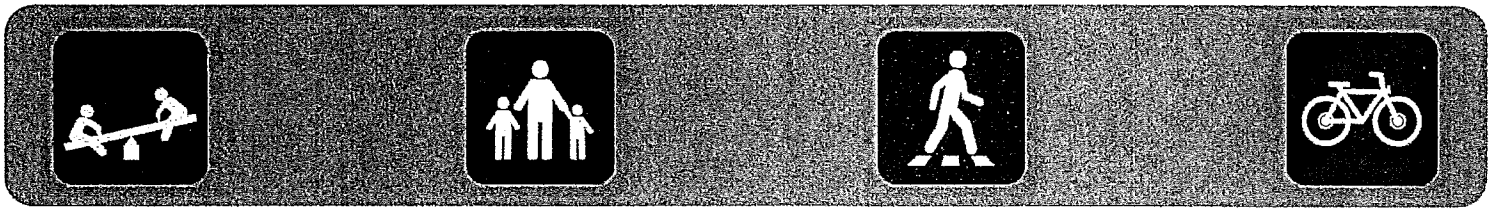
The substitute Ordinance provided clarification on grandfathering Production, Distribution, Repair (PDR) uses that have submitted a development application. The Ordinance as introduced only specified grandfathering processes for Residential and Non-Residential uses, and did not have language grandfathering PDR uses. Section 411A.3(e) of the substitute legislation states that PDR uses are grandfathered at the same rate as Non-Residential uses (i.e., they pay the current TIDF rate).

The substitute Ordinance also clarified that grandfathered projects that are subject to the TIDF will also be subject to all applicable TIDF rules and procedures.

San Francisco Citywide Nexus Analysis

March 2014





SAN FRANCISCO
PLANNING DEPARTMENT

ONESF
Building Our Future

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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* report[1], 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.

1. 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).

2. 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 unit[6]) – 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	• 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	• 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	• 88 square feet of improved sidewalk / service population unit	2030
Bicycle Infrastructure	Capital Improvements List	Complete build-out as per "Bicycle Plan Plus Scenario" of SFMTA's *Bicycle Strategy* (extrapolated through 2020) • 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	*Service Population Concept Memorandum* (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	*Service Population Concept Memorandum* (September 24, 2013)
F	Employees per service population unit (recreation and open space)	0.19	*Service Population Concept Memorandum* (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 1:019 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 rate[17] 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).

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[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

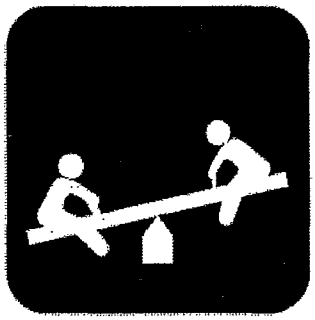
The calculated citywide impact fees support the existing impact fees in all categories. Additionally, all calculated citywide fees exceed the maximum existing neighborhood fee by at least 10%, as shown in Table 6. Note that both existing and maximum supportable citywide fees are expressed in $/GSF.

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

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 space[19] to active open space[20] 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	*San Francisco Infrastructure Level of Service Analysis* (March 2014)
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)	$9,365,400	*RPD Cost Assumptions Memorandum (March 2014)*
K	City estimate of unit improvement cost ($/acre of open space improved)	$939,197	*RPD Cost Assumptions Memorandum* (March 2014)
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	*Administrative Cost Memorandum* (November 4, 2013)
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.

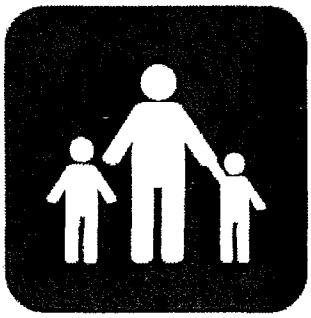
NEXUS FINDINGS

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	*Administrative Cost Memorandum* (November 4, 2013)
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	*Administrative Cost Memorandum* (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 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 feet[35]), 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	*San Francisco Infrastructure Level of Service Analysis* report (March 2014)
Cost			
F	City estimate of unit cost ($/SF of improved sidewalk)	$43	*Streetscape Cost Memorandum* (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	*Administrative Cost Memorandum* (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	*SFMTA Bicycle Strategy*
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	*Administrative Cost Memorandum* (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
Service Population Concept Memorandum (September 24, 2013)	Service_Population_Concept_Memorandum_20130924.doc
Belsky, Eric. *Rental Vacancy Rates: A Policy Primer.* National Association of Home Builders. Housing Policy Debate, Volume 3, Issue 3. 793-813. 1992.	Rental_Vacancy_Rates_Belsky_1992.pdf
Eastern Neighborhoods Impact Fee and Affordable Housing Analysis	EN_Nexus_2008.pdf
Hausrath Economics Group. *Phoenix Park and Library EDU Factors Study.* A Report to City of Phoenix Planning Department. September 1998.	Phoenix_Library_Report_1998.pfd
Administrative Cost Memorandum (November 4, 2013)	Administrative_Cost_Memo_20131104.pdf
Parks Acquisition Policy (August 2011)	RPD_Acquisition_Policy_2011.pdf
RPD Cost Assumptions Memorandum (March 26, 2014)	RPDCostAssumptionsMemo_20140326.pdf
FY 2010-2011 Development Impact Fee Report. Controller's Office. City and County of San Francisco. December 1, 2011.	Development_Impact_Fee_Report_2011.pdf
CPAC *San Francisco Child Care Needs Assessment* (2007)	ChildCareNeedsAssessment_2007.pdf
San Francisco Better Streets Plan (December 7, 2010)	BetterStreetsPlan_20101207.pdf
Streetscape Cost Memorandum (March 20, 2014)	StreetscapeCostMemo_20140320.pdf
SFMTA Bicycle Strategy (January 2013)	SFMTABicycleStrategy_20130129.pdf
San Francisco Bicycle Plan (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_SFNexus_sidewalks.xlsx
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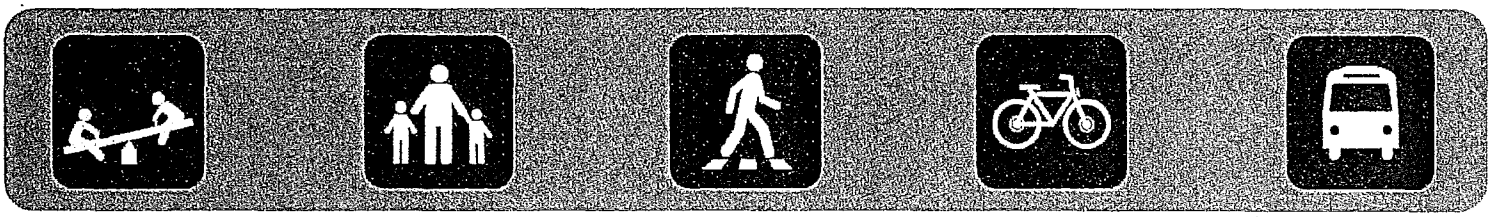
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Meeting Notes Description	File Name
Meeting notes showing acreage of City-owned recreation and open space	CityOwnedAcreage_MtgNotes_20131114.pdf

San Francisco Infrastructure Level of Service Analysis

March 2014





SAN FRANCISCO
PLANNING DEPARTMENT

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Building Our Future

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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 (2030[1]) 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	*Acres of Open Space / 1,000 SPU*		*3.5*	*3.5*	*55 acres*
1.2	*Acres of Improved Open Space / 1,000 SPU*		*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 *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).

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, as 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.

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[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 proceeding 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 (2030[8]) 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.	• 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]	• 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.	• 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.	• Percent of streets with bike lanes • Linear feet of bike lane per resident (or per service population[15]) • 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).	• 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.sfphes.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

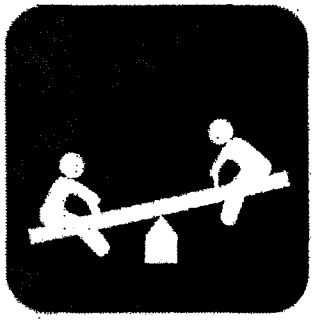
Facility Type	LOS Metric	Current Citywide Average	Long-term Aspiration	Short-term Target	Projected Citywide Shortfall [1]
	Recreation and Open Space	**LOS**	**LOS**	**LOS**	**2030**
1	Acres of City-Owned Open Space / 1,000 Service Population Units (SPU)	4.0	4.0	4.0	566 acres
1.1	*Acres of Open Space / 1,000 SPU*		*3.5*	*3.5*	*55 acres*
1.2	*Acres of Improved Open Space / 1,000 SPU*		*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	• 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	• 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 space[20] 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 3.5[22] 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.

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[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
• Over 200 city-owned parks • 6,600 acres of open space within city limits • 3,600 acres of active space	• 60% of residents live within 10 minutes / 0.5 mi of open space	• 70% of residents within 3 miles of full-service community center • 75% of residents within 0.5 mi of a park	• 2.8 acres per 1,000 residents for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level	• N/A	• 92% of residents live within 5 minutes of green space
• 6.6 acres / 1,000 residents (per Trust for Public Land Data) • 8.1 acres per 1,000 residents (per RPD data)	• 7.2 acres / 1,000 residents	• 24.6 acres / 1,000 residents (Intermediate - Low density city)	• 35.9 acres / 1,000 residents (Intermediate - Low density city)	• 16.5 acres / 1,000 residents	• 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
• 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	• 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	• 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	• 2.8 acres per 1,000 residents of neighborhood and community parks • 35 acres per 1,000 residents for all parks, including regional	• 31 acres per 1,000 residents • 3.5 acres of community serving parks per 1,000 residents	• 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 Apace 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	• 4.0 acres of City-owned open space (within City limits) per 1,000 service population units	• See Table Note
Long-term Aspirational Goal	• 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 o 3.5 acres of open space per 1,000 service population units o 0.5 acres of improved open space per 1,000 service population units	• RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst
Short-term Target	• 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 o 3.5 acres of open space per 1,000 service population units o 0.5 acres of improved open space per 1,000 service population units	• 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

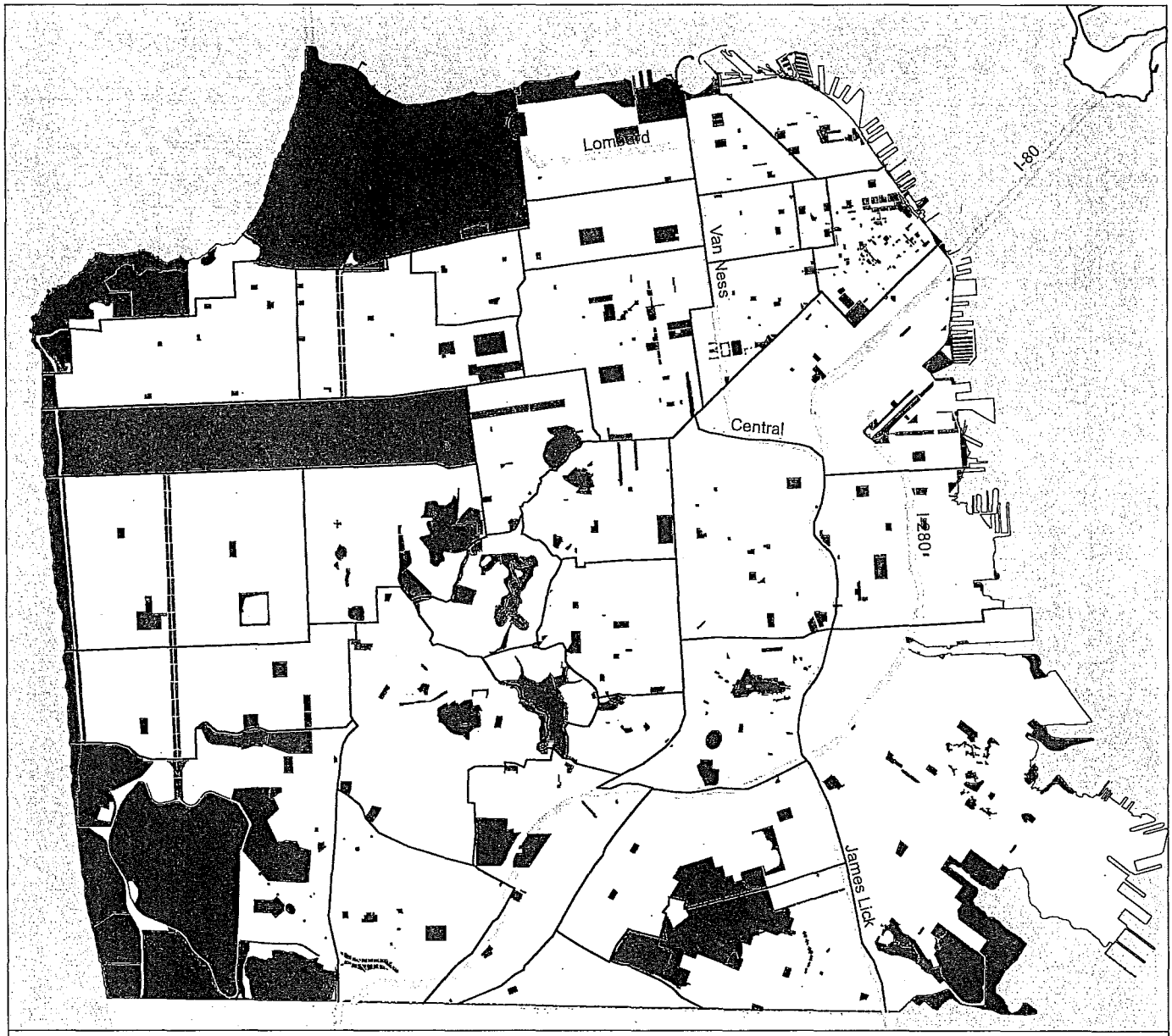
No shortfall exists at the current time, given that the metric target is based on maintaining the current provision into the future, although some neighborhoods, however, fall below the short-term target. As the population increases, by 2030, if the amount of open space remains the same, the LOS metric 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

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

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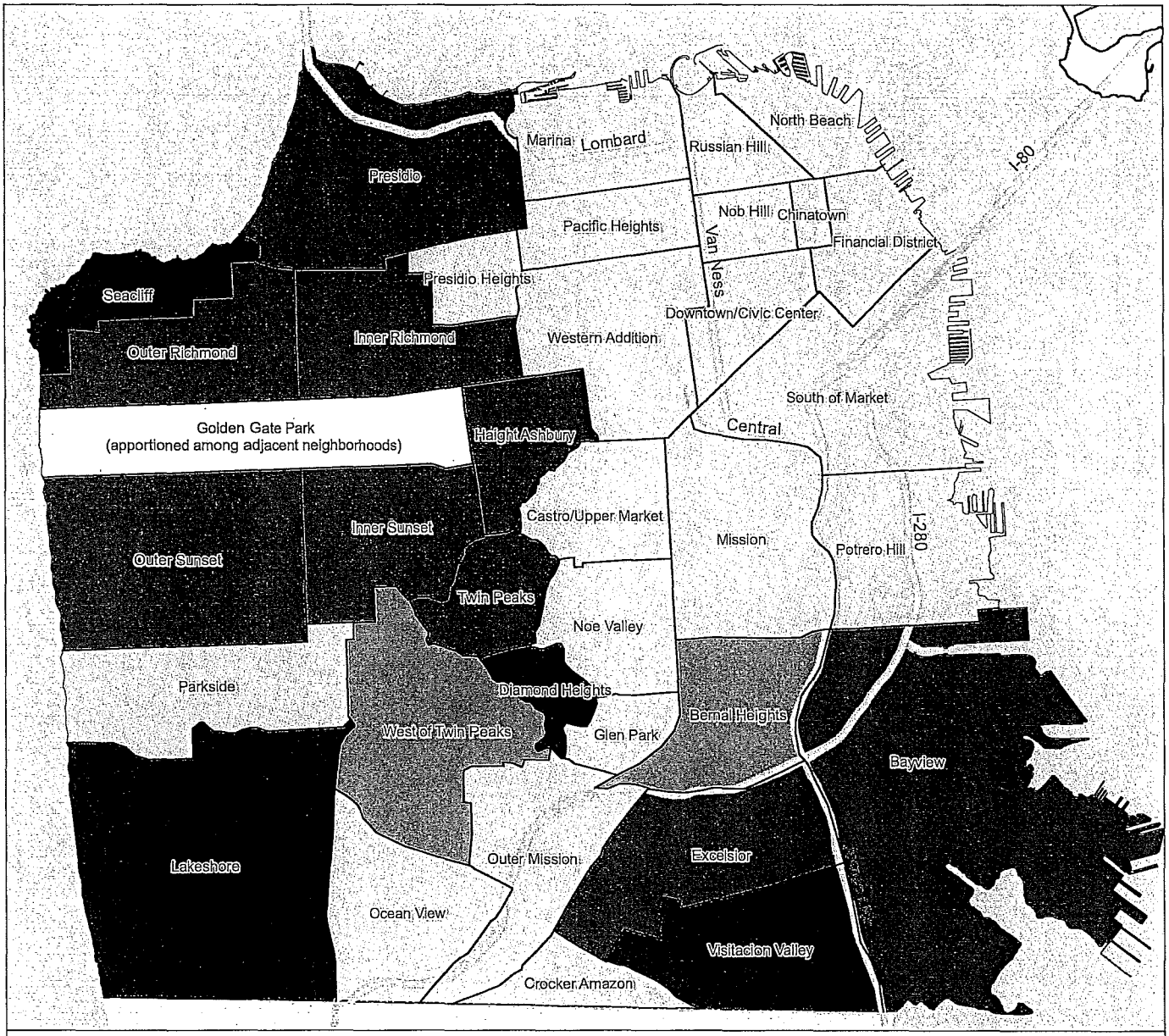
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Figure 1. Total Recreation and Open Space by Ownership (2013)

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

NORTH

0 3,000 6,000 Feet

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 (Citywide average, 2013)
- 4.0 - 10.0
- Above 10.0

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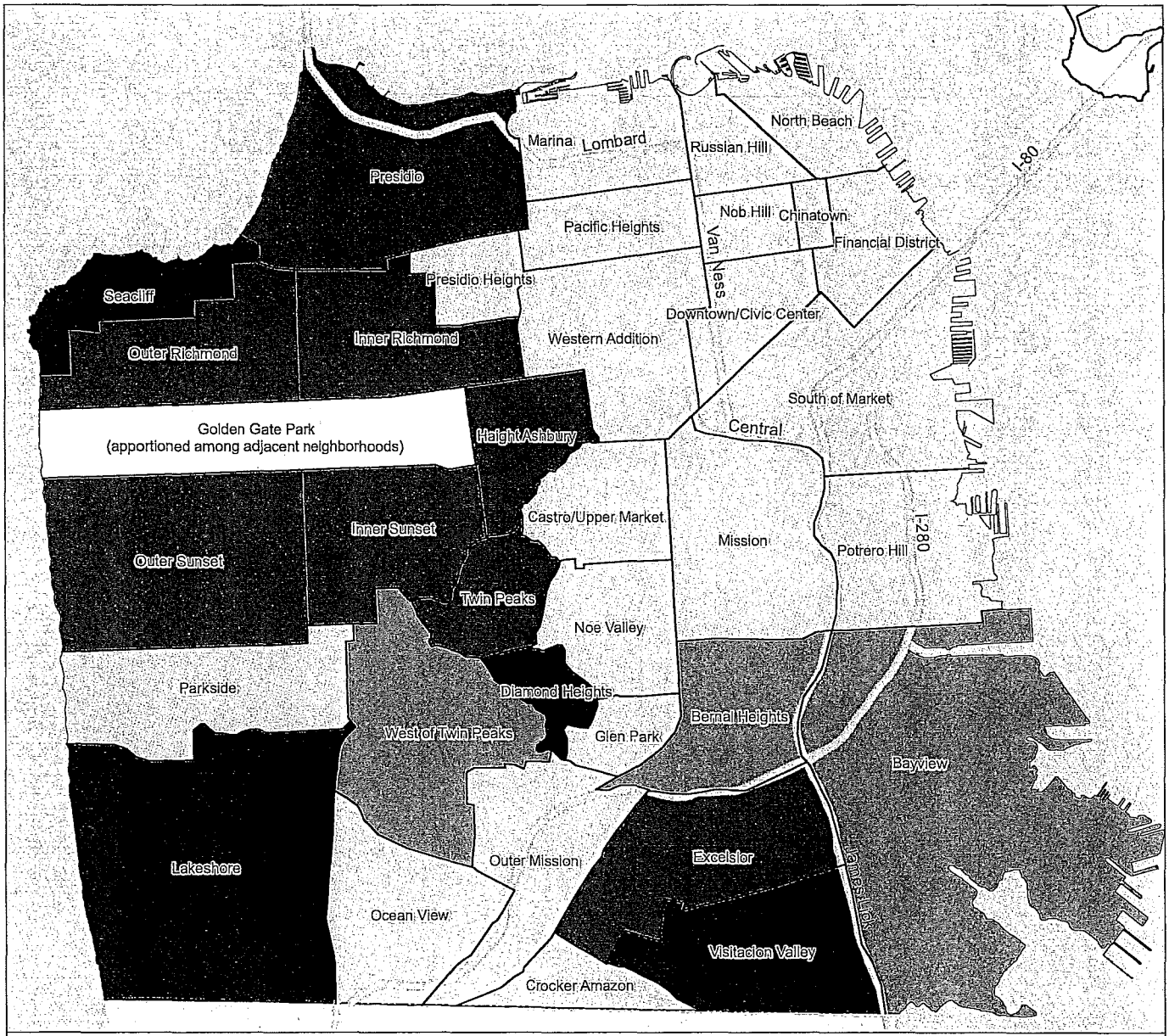
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Figure 2. Total City-Owned Recreation and Open Space per 1,000 Service Population Units (2013)

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

Feet
0 3,000 6,000

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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AECOM

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	• 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	• RPD and Planning Department data (see Table 29)
Long-term Aspirational Goal	• 0.5 acres of open space per 1,000 adjacent residents at all parks	• RPD's Acquisition Policy, High Needs Area definition, p 20.
Short-term Target	• 0.5 acres of open space per 1,000 adjacent residents at all parks	• 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.

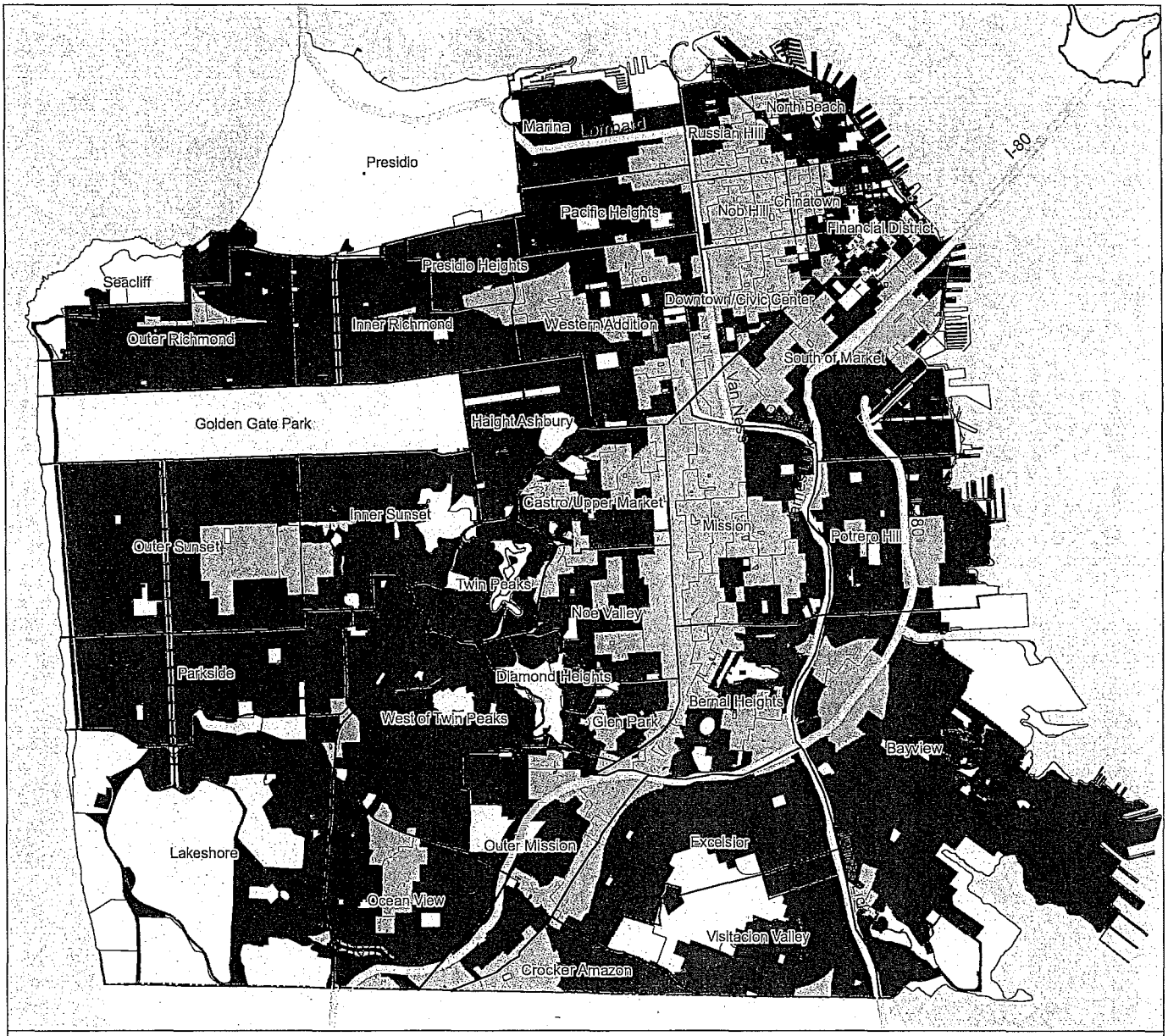
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

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

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD; 2010 Census

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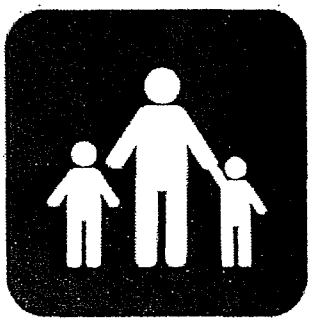
Figure 4: Acres of Park per 1,000 Adjacent Residents by Block

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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	• 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		May 2012	Final report	• 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 preschooled 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 spaces[38]) (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
• 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	• 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
• No explicit policy goal or LOS metric	• 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	• With almost 3,000 slots, 37 percent of infant / toddler childcare demand can be accommodated in existing slots	• 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	• Slots to accommodate 100 percent of infant / toddler childcare demand	• CPAC, OECE staff
Short-term Target	• Slots to accommodate 37 percent of infant / toddler childcare demand; the target is to maintain existing service levels	• 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	• With almost 15,000 slots, 99.6 percent of preschooler childcare demand can be accommodated in existing slots	• Michele Rutherford, Program Manager for San Francisco HSA[1] • AECOM's childcare demand estimates (refer to the appendix Childcare Demand Calculations)
Long-term Aspirational Goal	• Slots to accommodate 100 percent of preschoolers	• CPAC, OECE staff
Short-term Target	• Slots to accommodate 99.6 percent of preschoolers; target is to maintain existing service levels	• 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	• 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	• 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	• 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
• 105,000 existing street trees • 115 million square feet of sidewalk space	• 92% of street have sidewalks	• 131,000 existing street trees • 55 trees / mile of city street	• 17% of canopy coverage over streets • 1,900 miles of sidewalk	• N/A	• 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
• Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030	• Few quantitative goals • Qualitative objectives, and design guidelines	• 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)	• Neighborhoods must maintain citywide average for proportion of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails	• 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete and accommodate pedestrians and bikes	• 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 unit[46]

'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	• 103 square feet of sidewalk per service population unit	• Planning Department and DPW data (see Table 29)
Long-term Aspirational Goal	• 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision)	• Planning staff
Short-term Target	• 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision)	• 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.

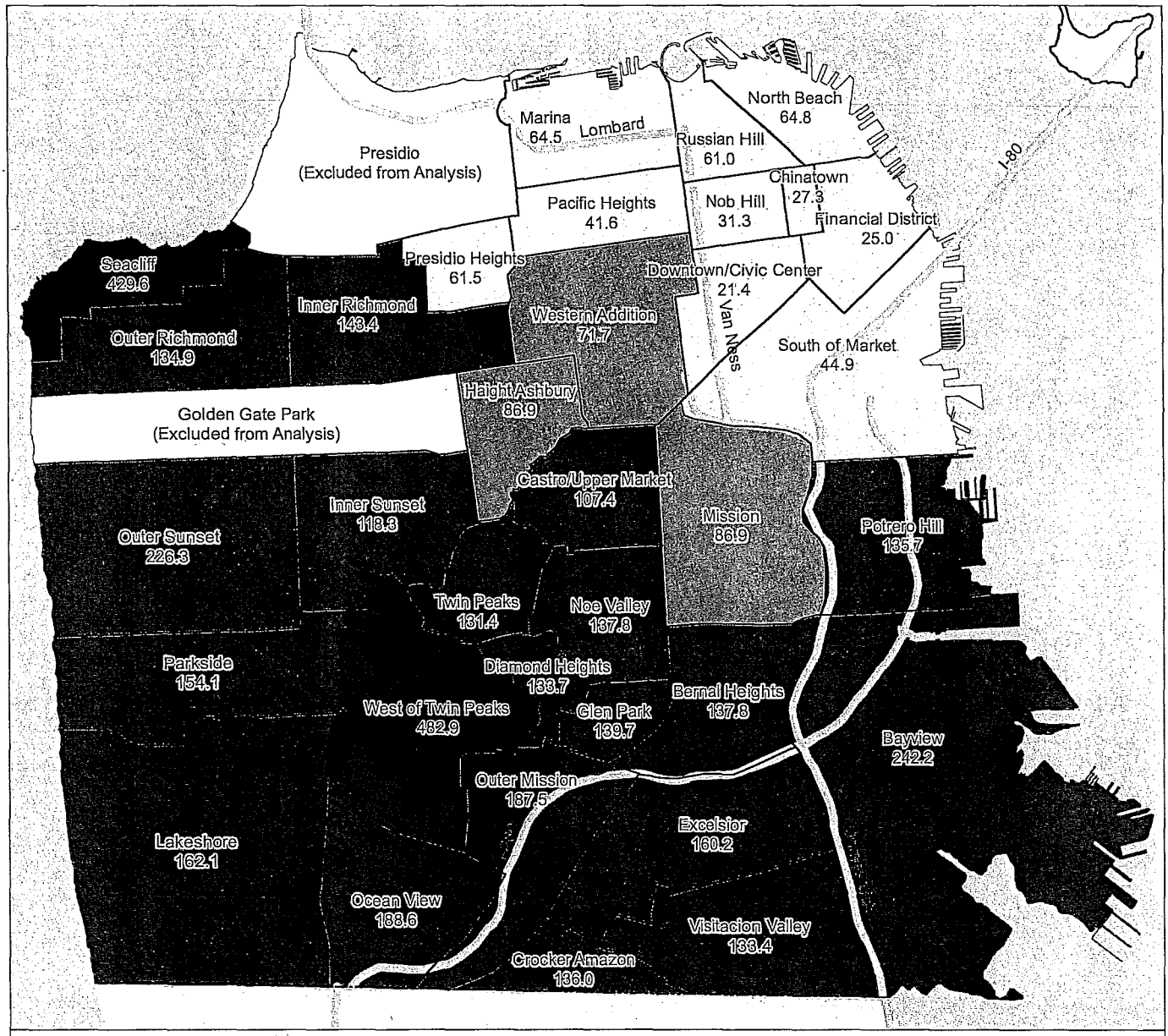
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

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)	-

* 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

Feet
0 3,000 6,000

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

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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	• 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)	• 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 and10 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
• 216 miles of bike network • Current bicycle mode share of 3.5%	• Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • Over 100 miles of bike network	• 17.12 miles of bike network • 1.6% of street network	• Approximately 20% of streets have bike network (2012) • 128 miles of bike network (2009)	• 230 street miles of bike network	• 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
• Bicycle Strategy Plan and network infrastructure improvements • Mode share increase from 3.5% to 8%-10%	• 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network	• 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status	• 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%	• 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	• 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
• 0.27 miles of bicycle network/ 1,000 residents	• 0.68 miles of bicycle network/ 1,000 residents	• 0.70 miles of bicycle network/ 1,000 residents	• 0.36 miles of bicycle network/ 1,000 residents	• 1.08 miles of bicycle network/ 1,000 residents	• 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:

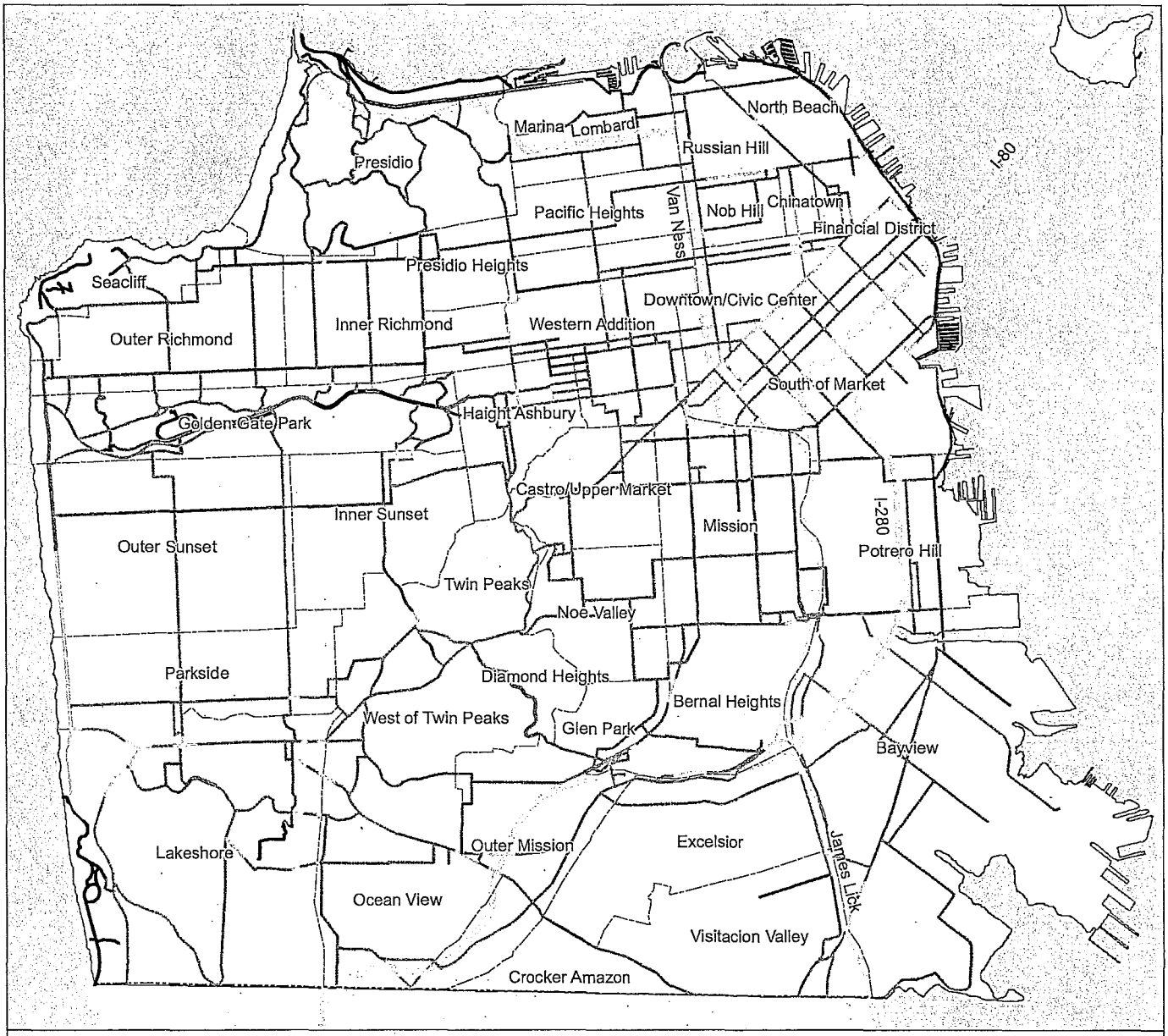
- Premium (LTS 1 and 2) network miles
- Upgraded intersections
- Bicycle parking spaces
- Bicycle share program (bikes and accompanying stations)

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

0 3,000 6,000 Feet

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')

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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, *System Build-out Scenario,*
Short-term Target (2018)	• 61 miles (10 additional miles)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
Upgraded Intersections		
Current Citywide Provision	• 3 intersections	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 203 intersections (200 additional intersections)	• SFMTA Bicycle Strategy, p21, *System Build-out Scenario,*
Short-term Target (2018)	• 13 intersections (10 additional intersections)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
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, *System Build-out Scenario,*
Short-term Target (2018)	• 12,800 spaces (4,000 additional space)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
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, *System Build-out Scenario,*
Short-term Target (2018)	• 500 bicycles and 50 sharing stations (all net new)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*

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	• 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			
• Average 33.7 minutes per transit travel time	• N/A	• Approximately 15% of transit trips shorter than 30 minutes (compared to 8% currently)	• N/A
Transit Crowding			
• 85% transit crowding target	• Transit load factor greater than 100% • 19% transit commuting trips	• Increased ridership and having an attractive, convenient transit system	• 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	• N/A	• San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-7 to 5-9
Long-term Aspirational Goal	• N/A	
Short-term Target (2018)	• 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	• 33.7 minutes per average travel time	• San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-9 to 5-11
Long-term Aspirational Goal	• N/A	
Short-term Target (2018)	• 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]

[57] In 2010, the citywide unemployment rate was 7 percent. One hundred and fifty percent of the citywide average is 11 percent (2010 ACS).
[58] With 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
[59] In 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

NORTH

Feet
0 3,000 6,000
Scale: 1 inch = 6,000 feet
Source: US Census Bureau, 2010

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)

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Figure 7. Socio-Economic Vulnerability (2013)

San Francisco Infrastructure Level of Service Analysis

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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 California[64], 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 Feed 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)	• Karen Mauney-Brodek • Sue Exline (Planning Department) • Taylor Emerson • Stacy Bradley • Dawn Kamalanathan
Childcare Facilities	Office of Early Care and Education (OECE)	• Graham Dobson • Michelle Rutherford • Child Care Needs Assessment Committee
Streetscape and Pedestrian Infrastructure	Planning Department	• Adam Varat • Lily Langlois • Kearstin Dischinger
	Department of Public Works (DPW)	• Cristina Olea • Ananda Hirsch • John Dennis
Bicycle and Transit Infrastructure	Municipal Transportation Agency (MTA)	• 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)	*Current*
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)	*Current*
Acreage and active/passive classification for RPD-owned parks	RPD_Parks.shp	Planning Department (Mike Webster, Geographic Information Systems)	*Current*
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)	*Current*
Sidewalk provision and widths	Stwidths.xls	DPW (Ananda Hirsch, Transportation Finance Analyst)	*Current*
Location of non-park trees	SFDPW_Trees.shp	Planning Department (Mike Webster, Geographic Information Systems)	*Current*
Street classifications	Streets_bsp.shp	Planning Department (Kearstin Dischinger, Senior Community Development Specialist)	*Current*
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)	*Current*
Bicycle network in San Francisco, including Class I – III classifications	SFMTA Bikeway Network.shp	SFMTA (Charlie Ream, Urban Planner)	*Current*

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	• Over 200 city-owned parks • 6,600 acres of open space within city limits • 3,600 acres of active space	• Over 7000 acres of open space	• 5% land area devoted to open space (800 acres)	• N/A	• 60% of residents live within 10 minutes/0.5 mi of open space	• 70% of residents within 3 miles of full-service community center • 75% of residents within ½ mile of park	• 2.8 acres per 1,000 for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level	• N/A	• 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]	• 6.6 acres / 1,000 residents (per Trust for Public Land Data) • 8.1 acres per 1,000 residents per RPD data	• 7.6 acres / 1,000 residents	• 2.8 acres / 1,000 residents	• 13.3 acres / 1,000 residents	• 7.2 acres / 1,000 residents	• 24.6 acres / 1,000 residents (Intermediate -Low density city)	• 35.9 acres / 1,000 residents (Intermediate -Low density city)	• 16.5 acres / 1,000 residents	• 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	• 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	• 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	• 131,000 existing street trees • 55 trees / mile of city street	• 17% of canopy coverage over streets • 1,900 miles of sidewalk	• 3.5% average pedestrian commute mode share • 5,000 miles of sidewalk	• N/A	• 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	• 216 miles of bike network • Current bicycle mode share of 3.5%	• Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • >100 miles of bike network	• 17.12 miles of bike network • 1.6% of street network	• ~20% of streets have bike network (2012) • 128 miles of bike network (2009)	• 230 street miles of bike network	• >300 miles of bike network	• 511 miles of bike network	• 200 miles of bike network	• 280 miles of bike network • 100% of buses are bike-accessible
Miles of Bike Lane / 1,000 Residents (2010 census)	• 0.27	• 0.16	• 0.04	• 0.33	• 0.15	• 0.51	• 0.39	• 0.21	• 0.47
Miles of Bike Lane / 1,000 Residents / City Area (2010 census)	• 0.006	• 0.003	• 0.001	• 0.006	• 0.001	• 0.004	• 0.001	• 0.001	• 0.010
Transit Infrastructure	• Average 33.7 minutes per transit travel time	• N/A	• N/A	• N/A	• No citywide standard	•	• No citywide standard	• N/A	• 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	• 10 minute / ½ mile access to open space for all residents • 0.5 acres / 1,000 residents within a ½ mile radius.	• N/A	• ¼ mile access to open space	• No quantitative goals	• 10 minute walk for 75% of residents by 2025 (0.5mi) • Add 500 acres by 2015 • 10 acres / 1,000 residents	• 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	• 2.8 acres / 1,000 residents of neighborhood and community parks	• 31 acres / 1,000 residents • 3.5 acres of community serving parks / 1,000 residents	• 100% of residents within 5 min walk to green space, by 2020 • Plant 150,000 new trees by 2020
Childcare	• Few quantitative goals	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A	• 500 new spaces by 2014
Streetscape and Pedestrian Infrastructure	• Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030.	• Few quantitative goals • Complete the pedestrian network	• No quantitative goals	• No quantitative standards • Qualitative objectives, and design guidelines	• 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)	• Neighborhoods must maintain citywide average for % of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails.	• No quantitative goals	• 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete, accommodate pedestrian and bike	• 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	• 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	• 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network	• 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status	• No current LOS goals • Aim to pass Complete Streets Policy • Add 183 miles within in 30 years (= 311 miles)	• 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%	• 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	• 1,089.9 miles of proposed total bicycle network • Increased bicycle mode share	• 450 miles of bike facilities proposed	• 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. Goal[70]	• 0.27	• 0.68	• 0.70	• 0.81	• 0.36	• 1.08	• 0.83	• 0.48	• 0.54
Transit Infrastructure	• 85% transit crowding target • Average 33.6 minutes per transit travel time	• No quantitative goals	• No quantitative goals	• No quantitative goals	• No quantitative goals	• Transit load factor < 100% • 19% transit commuting trips	• Increased ridership, and having an attractive, convenient transit system • ~15% of transit trips shorter than 30 minutes (compared to 8% BAU)	• No quantitative goals	• 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 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	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

Chen, Lisa (CPC)

From:	Chen, Lisa (CPC)
Sent:	Monday, October 26, 2015 10:16 AM
To:	Mar, Eric (BOS); Farrell, Mark (BOS); Christensen, Julie (BOS); Tang, Katy (BOS); Breed, London (BOS); Kim, Jane (BOS); Yee, Norman (BOS); Campos, David (BOS); Cohen, Malia (BOS); Avalos, John (BOS); Pagoulatos, Nickolas (BOS); Stefani, Catherine; Montejano, Jess (BOS); Burns, Kanishka (BOS); Ng, Wilson (BOS); Johnston, Conor (BOS); Yadegar, Danny (BOS); Mormino, Matthias (BOS); Power, Andres; Chung Hagen, Sheila (BOS); Bruss, Andrea (BOS); Pollock, Jeremy (BOS); Elliott, Nicole (MYR)
Cc:	Ruiz-Esquide, Andrea (CAT); Auyoung, Dillon (Dillon.Auyoung@sfmta.com)
Subject:	Transportation Sustainability Fee (TSF) - Transmittal of materials from Land Use & Transportation Committee
Attachments:	TSF_BOS transmittal_LUT commitee materials_10 26 15.pdf

Dear Supervisors, legislative aides, and Nicole:

In anticipation of the November 3, 2015 full Board of Supervisors hearing on establishing a new citywide Transportation Sustainability Fee (TSF), please find enclosed in this transmittal a series of documents that staff from the Planning Department, SFMTA, and SFCTA prepared in response to questions raised by Supervisors during hearings at the Land Use and Transportation Committee.

Enclosed are the following:

- Memo (dated 10/13/15) providing updated fee projections, reflecting the amendments made at the October 5th Land Use & Transportation Committee hearing.
    - Appendix: Residential grandfathering projections

- List (dated 10/14/15) of student housing projects in Institutional Master Plans on file (for non-profit post-secondary educational uses only).

- Analysis (dated 10/2/15) providing information on the TSF rates with and without the Area Plan fee credit as proposed in the ordinance.

- Memo (dated 10/2/15) to the Land Use & Transportation Committee and legislation Sponsors, responding to questions raised at the September 28th Committee hearing. The memo covers the following topics: hospital exemptions based on criterion other than their non-profit status; exemptions for post-secondary institutions that provide student housing; additional revenue generated by grandfathering amendment; effects on feasibility and revenue generated by elimination of the Plan Area fee credit; effect on feasibility if TSF rates were based on project size or construction type; and maximum TSF rates that could be charged based on economic feasibility.
    - Appendix: Updates to TSF feasibility study and TSF fee projections
    - Appendix: Residential grandfathering projections

Staff are available to discuss any of the enclosed information or to respond to other questions related to the pending legislation. Thank you.

Kind regards,

Lisa Chen
Planner, Citywide Planning Division

Planning Department, City and County of San Francisco
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Transportation Sustainability Fee (TSF):
Transmittal of TSF Projections from Land Use & Transportation Committee | October 26, 2015

Dear Supervisors, legislative aides, and Nicole:

In anticipation of the November 3, 2015 full Board of Supervisors hearing on establishing a new citywide Transportation Sustainability Fee (TSF), please find enclosed in this transmittal a series of documents that staff from the Planning Department, SFMTA, and SFCTA prepared in response to questions raised by Supervisors during hearings at the Land Use and Transportation Committee.

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    - Appendix: Updates to TSF feasibility study and TSF fee projections
    - Appendix: Residential grandfathering projections

Staff are available to discuss any of the enclosed information or to respond to other questions related to the pending legislation. Thank you.

TSF: Impact of October 5th Land Use & Transportation Committee Amendments (UPDATED 10/13/15)

Dear Supervisors Cohen, Kim, Wiener, Avalos, Breed, and Christensen,

In response to the October 5th, 2015 Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF), staff from the Planning Department and SFMTA have prepared information on the fiscal impact of the amendments made to the proposed legislation. Please let us know if you would like to discuss any of the information presented below.

The combined impact of all of these amendments is an increase of approximately *$153.0 million over 30 years, or $5.1 million annually, summarized below.*

This would bring total projected TSF revenues to $1.3 billion over 30 years, or $19 million annually. This represents approximately $570 million in net new transportation revenue above existing TIDF.

TSF Revenue Generation: Land Use & Transportation Committee October 5th Amendments

Fee Scenario	Net increase in TSF revenue (30 years)	Net increase in TSF revenue (annual)
Tier by project size: for res >100 units & non-res >100k sq ft	$55.5mn	$1.9mn
No grandfathering for projects filed after 7/21/15	$4.9mn	$0.2mn
Eliminate area plan exemption	$53.6mn	$1.8mn
Increase PDR fee trigger to 1500 sq ft	Negligible	Negligible
Apply TSF to hospitals	$57.8mn	$1.9mn
Exempt post-secondary educational uses	($18.8mn)	($0.6mn)
TOTAL	$153.0mn	$5.1mn

Total TSF Revenue Generation with October 5th Amendments

Fee Scenario	Projected revenue: 30-year total		Projected revenue: Annual		Net increase (annual)
	Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
TSF as proposed	$1.2bn	$420mn	$40mn	$14mn	--
With October 5th amendments	$1.3bn	$570mn	$44mn	$19mn	$5.1mn

1. **Amendment: Increase the fee rates for large projects, defined as residential uses >99 units or non-residential uses >100k sq ft. For all gross square feet over this threshold (i.e. any units above 99 units and all nonresidential square footage above 100k sq ft), projects would pay an additional $1/square foot, or $8.74 for residential and $19.04 for nonresidential.**

   Increasing the fee for large projects would result in an increase of approximately *$55 million dollars over 30 years, or $1.9 million dollars annually,* as follows.

TSF Revenue Generation: Fee Increase for Large Projects

Fee Scenario	Projected revenue: 30-year total		Projected revenue: Annual		Net increase (annual)
	Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
Rates as proposed	$1.2bn	$420mn	$39mn	$14mn	–
Tier by project size: for res >100 units and non-res >100k sq ft	$1.2bn	$475mn	$41mn	$16mn	$1.9mn

2. **Amendment: Amend grandfathering such that residential projects that filed a development application after the introduction date of the Ordinance (July 21st, 2015) would receive no grandfathering and would pay 100% of the TSF rate.**

   Currently, there are 10 residential projects in the pipeline that filed after July 21st, 2015. If these projects were to pay the TSF in full, this would result in an additional *$4.9 million* above the Ordinance as proposed, as follows. See the appendix for a list of residential projects in the pipeline.

TSF Residential Grandfathering (2015 Q2 Development Pipeline)[1]

Ordinance as Proposed			October 5th LU&T Committee Amendment		
Project status	Proposed rate ($/GSF)	Revenue generation	Project Status	Proposed Rate ($/GSF)	Revenue generation
Entitled	$0	$0	Entitled	$0	$0
Under review	$3.87	$54.0mn	Under review, filed before 7/21/15	$3.87	$49.1mn
			Under review, filed after 7/21/15	$7.74	$9.8mn
	TOTAL	$54.0mn		TOTAL	$58.9mn
				Net Increase	*$4.9mn*

3. **Amendment: Eliminate the Area Plan credit for residential uses, such that projects would pay both the TSF and area plan transportation fees in full.**

   Based on projected development, removing the area plan credit would generate approximately *$1.1 million annually, or $32.1 million through 2040.*

   In addition, projects in the current development pipeline would contribute an additional *$21.5 million, bringing the total to $53.6 million.*

[1] Based on amended fee rates (including fee increase for projects >100 units or 100k sq ft).

4. Amendment: Increase the PDR fee trigger from 800 GSF to 1500 GSF

The impact of modifying the PDR fee trigger is minimal. Based on building permit data for completed projects over the last 10 years, out of 433,000 square feet of PDR development added in the City over this period, only one project fell under the 1,500 square foot threshold.

Based on the TSF Nexus Study, the City is projected to add 6.1 million square feet of new PDR development through 2040 that would be subject to the TSF, comprising about 1% of total non-residential development.

5. [updated: 10/13/15] Amendment: Apply the TSF to hospitals

Based on the TSF Nexus Study, the City is projected to add 3.2 million square feet of new hospital development through 2040 that would be subject to the TSF, representing less than 1% of total non-residential development. Applying the fee to hospitals would raise an additional *$57.8 million dollars over 30 years, or roughly $1.9 million annually.*[2]

6. [updated: 10/13/15] Amendment: Exempt post-secondary educational uses

The TSF Nexus Study projects that the City will add roughly 5.8 million square feet of Cultural, Institutional, and Educational uses through 2040 that would be subject to the TSF, representing a little over 1% of nonresidential development. Based on completed projects from 2000-2010, private nonprofit universities may be expected to account for approximately 18% of this amount, or 1.0 million square feet.

Exempting these uses from the fee would result in a *revenue loss of approximately $18.8 million dollars over 30 years, or $630,000 annually.*

In addition, these projections do not differentiate between student housing and other types of post-secondary educational uses, such as instructional spaces.

[2] Please note that previous projections for institutional uses (hospitals and post-secondary institutions) were based on data for 10 years of completed projects. In this updated analysis, the TSF projections use the higher figures for land use and employment from the TSF Nexus Study, for the sake of consistency. These projections utilize ABAG projections combined with Planning Department Land Use Allocation figures.

APPENDIX: TSF Residential Pipeline Projections (10/8/15)

Table 1. Residential Projects Under Review: Filed after 7/21/15 (LU&T Committee Amendment: No Grandfathering)

	Proposed Use		Estimated TSF (see note)		
Address	Net units	Residential GSF	Grandfathering as proposed – Res: 50% TSF	Amended proposal: No Grandfathering for projects after 7/21/15	Net additional fee
636-648 Fourth St.	427	493,612	$2,099,862	$4,199,725	**$2,099,862**
75 Arkansas Street	50	57,800	$223,686	$447,372	**$223,686**
603 Tennessee St.	24	27,744	$107,369	$214,739	**$107,369**
400 Divisadero St.	130	150,280	$599,502	$1,199,003	**$599,502**
3620 Cesar Chavez	28	32,368	$125,264	$250,528	**$125,264**
719 Larkin	42	48,552	$187,896	$375,792	**$187,896**
830 Eddy St.	120	138,720	$548,984	$1,097,969	**$548,984**
793 South Van Ness	54	62,424	$241,581	$483,162	**$241,581**
950 Tennessee St.	129	149,124	$594,450	$1,188,900	**$594,450**
2918-2924 Mission St.	38	43,928	$170,001	$340,003	**$170,001**
			TOTAL REVENUE UNDER PROPOSAL	**$9,797,192**	**$4,898,596**

NOTES:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.
2. Estimated TSF only includes residential square footage and does not include any proposed nonresidential uses. Calculations do not take into consideration credits for prior uses on site, which may decrease the fee amount for some projects.

APPENDIX: TSF Residential Pipeline Projections (10/8/15)

Table 2. Residential Projects Under Review: Filed before 7/21/15

Address	Proposed Use		Estimated TSF (see note)	
	Net units	Residential GSF	No grandfathering	Grandfathering as proposed (Res: 50% TSF)
PIER 48	1,500	1,734,000	$15,040,716	**$7,520,358**
PIER 70	1,100	1,271,600	$10,999,340	**$5,499,670**
150 VAN NESS AVE	429	495,924	$4,219,932	**$2,109,966**
1979 MISSION ST	351	405,756	$3,431,863	**$1,715,932**
800 INDIANA STREET	340	393,040	$3,320,726	**$1,660,363**
950 MARKET ST	305	352,580	$2,967,105	**$1,483,553**
1066 MARKET ST	304	351,424	$2,957,002	**$1,478,501**
50 01ST ST	292	337,552	$2,835,760	**$1,417,880**
1301 16TH STREET	276	319,056	$2,674,105	**$1,337,053**
2070 BRYANT ST	271	313,276	$2,623,588	**$1,311,794**
1634-1690 PINE ST	260	300,560	$2,512,450	**$1,256,225**
1395 22nd St	251	290,156	$2,421,519	**$1,210,760**
1601 MISSION ST	220	254,320	$2,108,313	**$1,054,156**
1800 MISSION ST	207	239,292	$1,976,968	**$988,484**
1200 17TH STREET	200	231,200	$1,906,244	**$953,122**
975 Bryant Street	195	225,420	$1,855,727	**$927,863**
75 HOWARD ST	186	215,016	$1,764,796	**$882,398**
1028 MARKET ST	186	215,016	$1,764,796	**$882,398**
1540 MARKET ST	180	208,080	$1,704,175	**$852,088**
2070 BRYANT ST	177	204,612	$1,673,865	**$836,932**
390 - 01ST ST	170	196,520	$1,603,141	**$801,570**
1125 MARKET ST	164	189,584	$1,542,520	**$771,260**
1515 SOUTH VAN NESS AVENUE	160	184,960	$1,502,106	**$751,053**
950 MASON STREET	160	184,960	$1,502,106	**$751,053**
88 ARKANSAS ST	146	168,776	$1,360,658	**$680,329**
429 Beale Street and 430 Main Street	140	161,840	$1,300,038	**$650,019**
1140 FOLSOM STREET	128	147,968	$1,178,796	**$589,398**
555 Howard St	127	146,812	$1,168,693	**$584,346**
1298 HOWARD STREET	121	139,876	$1,108,072	**$554,036**
2675 FOLSOM ST	117	135,252	$1,067,658	**$533,829**
2171 THIRD ST	109	126,004	$986,831	**$493,415**
1550 MARKET ST	109	126,004	$986,831	**$493,415**
1075 MARKET ST	90	104,040	$805,270	**$402,635**
750 HARRISON ST	77	89,012	$688,953	**$344,476**
1335 FOLSOM ST	65	75,140	$581,584	**$290,792**
777 TENNESSEE STREET	59	68,204	$527,899	**$263,949**

(continued on next page)

APPENDIX: TSF Residential Pipeline Projections (10/8/15)

(Continued: Residential Projects Under Review: Filed before 7/21/15)

Address	Proposed Use		Estimated TSF (see note)	
	Net units	Residential GSF	No grandfathering	Grandfathering as proposed (Res: 50% TSF)
1145 Polk Street	54	62,424	$483,162	**$241,581**
2444 LOMBARD ST	53	61,268	$474,214	**$237,107**
555 GOLDEN GATE AV	52	60,112	$465,267	**$232,633**
3314 CESAR CHAVEZ ST	50	57,800	$447,372	**$223,686**
807 FRANKLIN ST	50	57,800	$447,372	**$223,686**
651 GEARY ST	46	53,176	$411,582	**$205,791**
272 SUTTER ST	45	52,020	$402,635	**$201,317**
230 07TH ST	44	50,864	$393,687	**$196,844**
1174 FOLSOM ST	42	48,552	$375,792	**$187,896**
2238 - 2254 MARKET ST	41	47,396	$366,845	**$183,423**
875 CALIFORNIA ST / 770 POWELL ST	41	47,396	$366,845	**$183,423**
901 TENNESSEE STREET	39	45,084	$348,950	**$174,475**
915 - 935 Minna Street	37	42,772	$331,055	**$165,528**
2230 3RD STREET	37	42,772	$331,055	**$165,528**
1726 - 1730 Mission Street	36	41,616	$322,108	**$161,054**
469 EDDY ST	34	39,304	$304,213	**$152,106**
495 CAMBRIDGE ST	32	36,992	$286,318	**$143,159**
240 PACIFIC AV	31	35,836	$277,371	**$138,685**
475 MINNA ST	30	34,680	$268,423	**$134,212**
241 10TH ST	28	32,368	$250,528	**$125,264**
198 VALENCIA ST	28	32,368	$250,528	**$125,264**
3140 16TH ST	28	32,368	$250,528	**$125,264**
1598 BAY ST	28	32,368	$250,528	**$125,264**
22 FRANKLIN ST	28	32,368	$250,528	**$125,264**
2140 - 2144 Market Street	27	31,212	$241,581	**$120,790**
OCTAVIA BLVD PARCEL T	26	30,056	$232,633	**$116,317**
300 Octavia Street	24	27,744	$214,739	**$107,369**
3355 GEARY BL	23	26,588	$205,791	**$102,896**
2670 Geary Boulevard	21	24,276	$187,896	**$93,948**
			TOTAL REVENUE UNDER PROPOSAL	**$49,054,848**

TSF: Existing/Proposed Student Housing in Non-profit Private University IMPs
10/14/15

Institution	IMP date	Student Housing in IMP
Alliant International University	2012	None existing or proposed.
Art Institute of California - San Francisco	2009	None existing or proposed.
Babson College	2011	None existing or proposed.
California College of Arts and Crafts	2013	All existing housing located in Oakland. Plans to work with private developers to create/lease student housing in SF, and/or develop college-owned housing in SF. Also plans to develop housing for 250-350 beds in SUD, 1321 Mission (entitled), and 38 Harriet (completed).
California Institute of Integral Studies	No IMP	N/A
Everest College	2010	None existing or proposed.
Golden Gate University	2015	None existing or proposed.
Great Western University	No IMP	N/A
Hult International Business School	2011	None existing or proposed.
Samuel Merritt University	2011	None existing or proposed.
San Francisco Art Institute	2004	Existing student housing leased from Presidio with capacity of 40. Considering partnering with Bovet Place for more.
San Francisco Conservatory of Music	2015	Existing student housing leased from Golden Gate Hall (134 beds) and Columbus Street Housing (26 beds). Future housing will be leased from The Panoramic (200 beds).
University of Pennsylvania Wharton School of Business, West Coast Campus	2011	MBA for Executives students housed at Le Meridian Hotel during class sessions, 90 room nights per weekend.
University of San Francisco	2014	Existing student housing consists of 2045 beds on Hilltop Campus and 93 beds at Pedro Arrupe Hall. New residence hall proposed on Lone Mountain, 635 housing bedrooms on Hilltop Campus.
Westmont College / San Francisco Urban Program	2002	Existing student housing consists of 12 bedrooms at 301 Lyon.

Proposed Transportation Sustainability Fee (TSF)

TSF Residential Fee Options in Area Plans | Updated 10/2/2015

Residential Transportation & Complete Streets Fees under Proposed TSF - Summary

Plan area	What projects pay today ($/GSF)	What projects would pay under TSF Ordinance as proposed ($/GSF)	What projects would pay under TSF with Commission recommendations ($/GSF)
Outside area plans	No transportation fees	TSF	TSF
Inside area plans	Area plan fees (transit/complete streets components)	Area plan fees (transit/complete streets) Less: TSF fee reduction + TSF	Area plan fees (transit/complete streets) + TSF

Residential Transportation & Complete Streets Fees under Proposed TSF - Rates

Plan area	What projects pay today ($/GSF)	Area plan credit under TSF Ordinance as proposed ($/GSF)	What projects would pay under TSF Ordinance as proposed ($/GSF)	What projects would pay under Commission recommendation to remove area plan credit ($/GSF)
Outside Area Plans	$0.00	$0.00	$7.74	$7.74
Eastern Neighborhoods				
Tier 1	$3.98	$0.97	$10.75	$11.72
Tier 2	$5.97	$1.46	$12.25	$13.71
Tier 3	$7.96	$1.94	$13.76	$15.70
Balboa Park	$4.86	$1.17	$11.43	$12.60
Market & Octavia	$7.21	$2.40	$12.54	$14.95
Van Ness & Market SUD[1]	$12.01	$4.00	$15.75	$19.75
Visitacion Valley Plan Area	$2.50	$0.00	$10.24	$10.24
Rincon Hill Plan Area	$8.25	$0.00	$15.99	$15.99
Transit Center District Plan[2]				
Tier 1 (FAR below 1:9)	$4.39	$0.00	$12.13	$12.13
Tier 2 (FAR 1:9 to 1:18)	$10.97	$0.00	$18.71	$18.71
Tier 3 (FAR above 1:18)	$14.26	$0.00	$22.00	$22.00

Notes:

1. Van Ness & Market SUD projects pay same rate as Market & Octavia for building FAR < 9:1, and the Van Ness & Market fee for FAR > 9:1.
2. Transit Center is not eligible for a fee credit as the Transit Center Transportation & Street Improvement Fee was established to deliver projects associated with areas developed to such a high degree of density. A portion of the fee is also designated as a CEQA mitigation measure (the Transit Delay Mitigation Fee).

Proposed Transportation Sustainability Fee (TSF)

TSF Residential Fee Options in Area Plans | Updated 10/2/2015

Summary of Current Residential Area Plan Fees

Plan area	Area plan rates ($/GSF)	Area plan transit component ($/GSF)	Area plan complete streets component ($/GSF)
Eastern Neighborhoods			
Tier 1	$9.71	$0.97	$3.01
Tier 2	$14.56	$1.46	$4.51
Tier 3	$19.42	$1.94	$6.02
Balboa Park	$9.71	$1.17	$3.69
Market & Octavia	$10.92	$2.40	$4.80
Van Ness & Market SUD	$18.20	$4.00	$8.01
Visitacion Valley Plan Area	$5.56	$0.00	$2.50
Rincon Hill Plan Area	$10.44	$0.00	$8.25
Transit Center District Plan[1]			
Tier 1 (FAR below 1:9)	$4.39	$4.39[1]	$0.00
Tier 2 (FAR 1:9 to 1:18)	$10.97	$10.97[1]	$0.00
Tier 3 (FAR above 1:18)	$14.26	$14.26[1]	$0.00

Notes:

1. The Transit Center Transportation & Street Improvement Fee does not specify a percent allocation to transit & complete streets components, so the full amount of the fee is shown here as allocated to transit for illustrative purposes only.

Sample Calculation: Area Plan Fee Reduction in Market & Octavia Area Plan (in Ordinance as Proposed)

FEE	FEE PER GROSS SQ. FT. OF NEW DEVELOPMENT
TSF (as proposed)	**$ 7.74**
MARKET AND OCTAVIA IMPACT FEE	**+ $ 10.92**
TOTAL	**$18.66**
TRANSIT PORTION OF MARKET AND OCTAVIA FEE (22%)	**- $ 2.40**
NET TOTAL	**$ 16.26**

Sample TSF Residential Calculations: Area Plan Fee Credit

					Fee rates			Projected fees for project			
Proposed project	Units	Residential GSF	Area Plan	% of area plan fee allocated to transit	Proposed TSF rate ($/GSF)	Area Plan fee rate ($/GSF)	PROPOSED AREA PLAN FEE CREDIT ($/GSF)	TSF ($)	Area plan fee (in full) ($)	Less: Proposed Area Plan Fee Credit ($)	TOTAL TSF + Area Plan Fees
1601 Mission Street	200	229,705	Market & Octavia	22%	$7.74	$10.92	-$2.40	$1,777,917	$2,508,379	-$551,843	**$3,734,452**
1301 16th Street	234	270,504	Eastern Neighborhoods Tier 1	10%	$7.74	$9.71	-$0.97	$2,093,701	$2,626,594	-$262,659	**$4,457,635**
1140 Folsom	128	147,968	Eastern Neighborhoods Tier 2	10%	$7.74	$14.56	-$1.46	$1,145,272	$2,154,414	-$215,441	**$3,084,245**
3620 Cesar Chavez	28	24,600	Eastern Neighborhoods Tier 2	10%	$7.74	$14.56	-$1.46	$190,404	$358,176	-$35,818	**$512,762**

Notes:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.
2. TSF calculations above are for illustrative purposes only, to explain the residential Area Plan Fee Credit as proposed. They do not consider a credit for prior uses on site, nor take into consideration the proposed grandfathering fee rates as proposed in the ordinance.

Supervisors Cohen, Kim, Wiener and Avalos,

Thank you for your thoughtful comments at the September 28th, 2015 Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF). Staff has prepared additional information in response to key questions raised at this hearing. Please let us know if you would like to discuss any of the information presented below.

1. Would it be possible to exempt hospitals from the TSF based on some criterion other than their non-profit status?

During the drafting of the TSF Ordinance, staff worked with the San Francisco Department of Public Health (SFDPH) to create an exemption that would apply to medical uses primarily serving vulnerable populations including but not limited to: Medi-Cal beneficiaries, uninsured residents, limited English speakers, and populations with documented high rates of health disparities, as defined in the Health Care Services Master Plan. Below is an outline of the process that would allow for such an exemption.

Review Process for Medical Uses
When a medical service provider submits an application to the Planning Department for a development project, there are two separate processes through which the project could be found to be exempt from the TSF. A project may satisfy the requirements of one or both in order to receive an exemption.

- **Charitable Exemption Process:** The project is exempt from TSF if both of the following are satisfied: (1) the medical service provider is a non-profit organization developing on land that is tax-exempt[1]; and, (2) the medical service provider occupies <50,000 sf of site area or <100,000 sf of site area in C-3 districts (the minimum threshold for requiring a full Institutional Master Plan). In other words, if the project does not require a full Institutional Master Plan, it would not need to pay the TSF. If, however, the project does require a full Institutional Master Plan, certain medical use projects would be exempt from the TSF as outlined in #2 below.

- **Healthcare Services Master Plan Consistency Determination Process:** A TSF exemption will be granted to projects that the SF Health Commission or SFDPH staff (as applicable) find to be: (1) Consistent with the Health Care Services Master Plan Health Care Services; and, (2) Eligible for Development Incentives under such plan. The process varies depending on project size:

    a. ***Projects requiring HCSMP review*** (>10,000 GSF of new construction, or >5,000 GSF change of use): These projects will undergo the usual HCSMP Consistency Determination process. The Planning Department will grant a TSF exemption if the SF Health Commission issues a "Finding of Consistency" with the HCSMP, together with the determination that the use is "Eligible for Development Incentives" under such plan.
    b. ***Administrative review for smaller projects*** (<10,000 GSF of new construction, or <5,000 GSF change of use): These projects are not currently required to undergo the HCSMP Consistency Determination process. The project sponsor must file an exemption application with the Planning Department. The Planning Department will grant a TSF exemption if SFDPH staff issue a "Finding of Consistency" with the HCSMP, together with the determination that the use is "Eligible for Development Incentives" under such plan.

The TSF ordinance could be amended to state that any project that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for charitable exemptions except if it is a medical use that is found by the SF Health Commission or the SFDPH to be consistent with the Health Care Services Master Plan and eligible for Development Incentives under this Plan. Projects would be required to remain eligible for Development Incentives for at least 10 years. If the property

[1] Projects will need to submit an application for a Charitable Exemption in order to verify non-profit status (or undergo a similar process, to be determined).

or portion thereof ceases to be eligible for Development Incentives within the 10-year period, the property owner will be required to pay the TSF.

2. **What is the best way to treat post-secondary educational institutions when they are providing student housing?**

As currently proposed, the TSF would apply to all projects of non-profit post-secondary educational institutions that require an Institutional Master Plan under Section 304. 5 of the Planning Code. Given the recent legislation that encourages universities to create new student housing, the TSF Ordinance could be amended to exempt student housing proposed by non-profit post-secondary educational institutions from the fee. Section 411.A.3(b) of the ordinance already sets forth a number of proposed exemptions in support of existing City policies. The Section could be amended to include an exemption for non-profit student housing as defined in Article 2 of the Planning Code.

> *Planning Code Definition of Student Housing:* A Residential Use characteristic defined as a living space for students of accredited Post-Secondary Educational Institutions that may take the form of Dwelling Units, Group Housing, or SRO Unit and is owned, operated, or otherwise controlled by an accredited Post-Secondary Educational Institution. Unless expressly provided for elsewhere in this Code, the use of Student Housing is permitted where the form of housing is permitted in the underlying Zoning District in which it is located. Student Housing may consist of all or part of a building, and Student Housing owned, operated, or controlled by more than one Post-Secondary Educational Institution may be located in one building.

3. **How would incorporating the grandfathering provisions recommended by the Planning Commission affected the projected revenue? In addition, how would revenue be affected if projects that were filed after the introduction date of the Ordinance (July 21st, 2015) received no grandfathering?**

The Planning Commission recommendations on TSF grandfathering were as follows:

- Residential projects:
    a. Entitled projects: 100% grandfathering (as proposed)
    b. Projects under review:
        - Filed before 7/1/14: 50% rate
        - Filed after 7/1/14: 75% rate
- Nonresidential projects: Fully grandfathered; pays TIDF rates (as proposed)

The impact of these proposed changes is as shown in the table below. Amending the proposed ordinance would generate an additional *$17.5 million*.

TSF Residential Grandfathering

Ordinance as Proposed			Planning Commission Recommendation		
Project status	**Proposed rate ($/GSF)**	**Revenue generation**	**Project Status**	**Proposed Rate ($/GSF)**	**Revenue generation**
Entitled	$0	$0	Entitled	$0	$0
Under review	$3.87	$50.0mn	Under review, filed before 7/1/14	$3.87	$37.5mn
			Under review, filed after 7/1/14	$5.81	$30.0mn
	TOTAL	**$50.0mn**		**TOTAL**	**$67.5mn**

At the Land Use & Transportation Committee hearing, Supervisors expressed interest in exploring additional grandfathering options:

- Residential projects: Same as above, but do not grandfather projects that were filed after the date of Ordinance introduction (July 21, 2015)

Currently, there are 14 projects in the pipeline that filed after July 21st, 2015. If these projects were to pay the TSF in full, this would result in an additional *$7.1 million* above the Ordinance as proposed (i.e. 50% TSF rate for residential; TIDF rates for non-residential). These projects were added after the grandfathering analysis was completed, and thus do not overlap with the amounts above.

[UPDATED 10/2/15: Non-residential grandfathering.] At the September 28th Land Use & Transportation hearing, Supervisors expressed interest in potentially applying a tiered grandfathering structure for non-residential uses as well, similar to the Planning Commission recommendation for residential uses (50% of the fee difference for unentitled projects that filed before 7/1/14, 75% of the fee difference thereafter). Modifying the proposal would potentially generate an additional *$10 million* in revenues, as follows.

Non-Residential Grandfathering

Ordinance as Proposed			Tiers based on file date (similar to Planning Commission recommendation)		
Project status	**Rate ($/GSF)**	**Revenue generation**	**Project status**	**Rate ($/GSF)**	**Revenue generation**
Entitled	TIDF rates ($12.12 - $14.59)	$45.3mn	Entitled	TIDF rates ($12.12 - $14.59)	$45.3mn
Under review	TIDF rates ($12.12 - $14.59)	$66.7mn	Under review, filed before 7/1/14 (50% of difference)	$16.24	$72.5mn
			Under review, filed after 7/1/14 (75% of difference)	$17.14	$4.6mn
	TOTAL	**$112mn**		**TOTAL**	**$122mn**

4. **What is the effect on feasibility if the Plan Area credit were to be eliminated? How much TSF revenue would this generate?**

(See Appendix B for additional information on updates to the feasibility analysis in response to questions 4-6. Please note that some updates may have caused changes in feasibility as compared to the published study on the TSF website.)

Three prototypes evaluated TSF Economic Feasibility Study were residential prototypes that would receive an Area Plan fee credit under the proposed TSF ordinance. We also analyzed an additional large residential prototype studied under the Central SoMa draft feasibility study (which falls under the Eastern Neighborhoods area plan).

If the credit were to be eliminated, all 4 prototypes would continue to remain feasible, as measured by percent change in residual land value (RLV). The change in RLV would range from 1-2%.

5. **What is the effect on feasibility if TSF rates were tiered based on project size and/or construction type (i.e. mid-rise vs. high-rise construction)?**

In order to help answer this question, staff made adjustments to the findings of the feasibility study to evaluate whether there is a clear relationship between project size, economic feasibility, and the ability to absorb higher fee levels. Our findings indicate:

- **Residential**: Based on analysis of 8 residential prototypes, we found *no clear correlation between residential project size (whether measured by unit count or square footage) and economic feasibility*. Charging variable rates would have uneven impacts on project feasibility. Even though high-rise projects can charge higher rents and sales prices, they also incur higher construction and other costs, so they may not be more feasible nor more profitable on a per square footage basis than medium- or low-rise construction.

- **Non-residential**: Staff examined the 2 large office prototypes in the TSF Feasibility Study, as well as a medium office prototype from the Central SoMa draft feasibility study. We found that the two larger office prototypes (400' and 160') performed similarly well, while the medium office project was more sensitive to the impact of higher fees.

    - This is consistent with the findings of the TSF and Central SoMa feasibility studies, which indicate that large office projects are more feasible and prevalent than smaller projects. This is reflected in the current development pipeline, in which 89% of nonresidential development is >100k square feet. Given the predominance of larger office projects, a single fee rate may make more logical sense.

See Appendix B for additional information on project sizes in the current development pipeline, as well as TSF revenue projections based on different tiered proposals.

6. **What are the maximum TSF rates that could be charged based on economic feasibility? What would be the impact on feasibility if the TSF rates were increased to 33% of the nexus?**

The prototypes indicate that project feasibility is determined by a number of related factors, including but not limited to: lot size, land use controls (particularly height and density limits), geographic location, and project size. No single factor explains the variability in project feasibility.

Supportable TSF rates for each prototype are listed in the tables below. The supportable rate was determined by examining the impact of the fee on a number of financial indicators, the primary one being impact on RLV.[2] The key findings include:

- The majority (7 of 8) of residential prototypes could support a fee of *$7.74/GSF with elimination of the area plan credit*. If the fee were increased to $8.75/GSF, half of the prototypes could become infeasible.
- The 2 large office projects could support a fee of *$21.65/GSF*. The smaller project could support a fee of *$19.04/GSF*.
- 33% of the TSF Nexus rate would represent $10.21/GSF for residential and $28.85/GSF for non-residential projects. Fees at these levels could be supported by *2 out of the 8 residential prototypes, and 0 out of the 3 non-residential prototypes*.

TSF Economic Feasibility: Residential Prototypes

Prototype (in order of size)	Project size			Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	Supportable TSF Rate (based on RLV and financial indicators)[1]
	# of units	GSF	Height			
4. Mission	15 units	22,264 sf	50'	High	$188	$10.21/GSF + no area plan credit
3. Outer Mission	24 units	41,800 sf	65'	Low	$27	Project infeasible due to low revenues relative to costs: fee not supportable
2. Van Ness Ave	60 units	86,000 sf	80'	Medium	$101	$7.74/GSF
6. East SoMa	60 units	60,550 sf	85'	Medium	$132	$9.29/GSF + no area plan credit
8. East SoMa	128 units	161,000 sf	160'	Medium	$108	$7.74/GSF + no area plan credit
5. Central Waterfront	156 units	154,700 sf	65'	High	$185	$10.21/GSF +no area plan credit
(NEW) Central SoMa	217 units	315,010 sf	400'	Medium	$133	$8.74/GSF + no area plan credit
9. Transit Center	229 units	332,800 sf	400'	Medium	$107	$7.74/GSF

[2] Supportable TSF rate developed based on the following financial indicators: % change in Residual Land Value (RLV), RLV per unit, Return on Cost, and Developer Margin as % of Total Costs.

TSF Economic Feasibility: Non-residential Prototypes

Prototype Description	Lot size	Project size		Overall feasibility (before TSF)	RLV per building square foot ($/NSF)	Supportable TSF Rate (based on RLV and financial indicators))
		GSF	Height			
(NEW) Central SoMa	15,000 sf	92,000 sf	85'	**Medium**	$87	$19.04/GSF
7. East SoMa	35,000 sf	249,300 sf	160'	**High**	$128	$21.65/GSF
10. Transit Center	20,000 sf	384,700 sf	400'	**High**	$132	$21.65/GSF

Appendix: Updates to TSF Feasibility Analysis to Evaluate Recommendations of the Planning Commission & Board of Supervisors (Updated 10/2/2015) |

Notes on updates to feasibility study:

- In order to facilitate more consistent comparison across prototypes and fee scenarios, Staff updated the TSF economic feasibility analysis as follows:
    - Prototypes were re-ordered by project size (ascending based on # of units or building square footage).
    - The analysis eliminated the fee credit for prior uses on site (i.e. an existing retail or warehouse building). Each prototype now reflects a development project on vacant land under current market conditions. For some prototypes, this meant that development feasibility worsened.

- For ease of comparison, some of the fee scenarios discussed at the Commission and at the Land Use & Transportation Committee were consolidated.

- Additional prototypes from draft Central SoMa feasibility study were added to illustrate the impact of the fee on project types not represented in the TSF feasibility study.

Residential prototypes: Staff evaluated the following TSF fee scenarios, in order of cost:

- $6.19/GSF + eliminate area plan credit
- $7.74/GSF (AS PROPOSED)
- $7.74/GSF + eliminate area plan credit (COMMISSION RECOMMENDATION)
- $8.74/GSF + eliminate area plan credit
- $9.29/GSF + eliminate area plan credit
- $10.21/GSF + eliminate area plan credit (33% of nexus; COMMISSION RECOMMENDATION)
- $15.48/GSF + eliminate area plan credit

Non-residential prototypes: Staff evaluated the following TSF fee scenarios:

- $14.43/GSF
- $18.04/GSF (AS PROPOSED)
- $19.04/GSF
- $21.65/GSF
- $28.85/GSF (33% of nexus; COMMISSION RECOMMENDATION)
- $36.08/GSF

TSF ECONOMIC FEASIBILITY STUDY - Updated 9/30/2015

Key to shading:		
	-3%	< 5% change in RLV
	-6%	5-9% change in RLV
	-10%	> 10% change in RLV

Impact of TSF on Residual Land Value: Residential Projects

		Project size					TSF Fee Scenario: % Change in Residual Land Value (RLV)							
Prototype Description	Lot size	# of units	GSF	Height	Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	$6.19/GSF + no area plan credit	AS PROPOSED: $7.74/GSF	COMMISSION RECOMMENDATION: $7.74/GSF + no area plan credit	$8.74/GSF + no area plan credit	$9.29/GSF + no area plan credit	COMMISSION RECOMMENDATION: $10.21/GSF (33% nexus) + no area plan credit	$15.48/GSF + no area plan credit	Supportable TSF Rate (based on RLV and financial indicators)
4. Mission	6,000 sf	15 units	22,264 sf	50 feet	High	$188	-4%	-5%	-5%	-6%	-6%	-8%	-12%	$10.21/GSF
3. Outer Mission	14,400 sf	24 units	41,800 sf	65 feet	Low	$27	-27%	-35%	-35%	-41%	-44%	-50%	-76%	Project infeasible due to low revenues relative to costs - fee not supportable
2. Van Ness Ave	24,300 sf	60 units	86,000 sf	80 feet	Medium	$101	-7%	-9%	-9%	-10%	-11%	-13%	-20%	$7.74/GSF
6. East SoMa	10,000 sf	60 units	60,550 sf	85 feet	Medium	$132	-5%	-5%	-7%	-8%	-9%	-10%	-15%	$9.29/GSF + no area plan credit
8. East SoMa	15,000 sf	128 units	161,000 sf	160 feet	Medium	$108	-7%	-7%	-9%	-10%	-11%	-12%	-19%	$7.74/GSF + no area plan credit
5. Central Waterfront	35,000 sf	156 units	154,700 sf	65 feet	High	$185	-4%	-4%	-5%	-6%	-6%	-7%	-11%	$10.21/GSF + no area plan credit
(NEW) Central SoMa	15,000 sf	217 units	315,010 sf	400 feet	Medium	$133	-6%	-8%	-8%	-9%	-10%	-10%	-16%	$8.74/GSF + no area plan credit
9. Transit Center	15,000 sf	229 units	332,800 sf	400 feet	Medium	$107	-8%	-10%	-10%	-11%	-12%	-13%	-20%	$7.74/GSF + no area plan credit

Impact of TSF on Residual Land Value: Non-residential Projects

Prototype Description	Lot size	Project size		Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	TSF Fee Scenario: % Change in Residual Land Value (RLV)						Supportable TSF Rate (based on RLV and financial indicators)
		GSF	Height			$14.43/GSF	AS PROPOSED: $18.04/GSF	$19.04/GSF	$21.65/GSF	$28.85/GSF (33% of nexus)	$36.08/GSF	
(NEW) Central SoMa	15,000 sf	92,000 sf	85'	Medium	$87	-1%	-5%	-7%	-10%	-19%	-28%	$19.04/GSF
7. East SoMa	35,000 sf	249,300 sf	160'	High	$128	0%	-4%	-4%	-7%	-13%	-19%	$21.65/GSF
10. Transit Center	20,000 sf	384,700 sf	400'	High	$132	0%	-4%	-5%	-7%	-14%	-20%	$21.65/GSF

Projected TSF Revenues: Alternative Fee Scenarios: Summary (UPDATED 10/2/15)

Fee Scenario	Residential rate ($/GSF)	Nonresidential rates ($/GSF)	Projected revenue: 30-year total		Projected revenue: Annual		Net increase above proposed (annual)
			Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
1. Proposed rates	$7.74	$18.04	$1.2bn	$420mn	$39mn	$14mn	–
2. Increase rates by $1	$8.84	$19.04	$1.3bn	$511mn	$42mn	$17mn	$3.1mn
3. Commission recommendation: Eliminate area plan credit	$7.74	$18.04	$1.2bn	$453mn	$40mn	$15mn	$1.0mn
4. Commission recommendation: 33% of Nexus	$10.21	$28.85	$1.7bn	$954mn	$57mn	$32mn	$17.8mn
5. Tier by project size: for res >100 units and non-res >100k sq ft							
a. Fee increase = $1	$7.74 - $8.84	$18.04 - $19.04	$1.2bn	$497mn	$42mn	$16mn	$2.6mn
b. Fee increase = $3	$7.74 - $10.84	$18.04 - $21.04	$1.4bn	$652mn	$47mn	$22mn	$7.7mn
c. Fee increase = $5	$7.74 - $12.84	$18.04 - $23.04	$1.6bn	$807mn	$52mn	$27mn	$12.9mn
d. Fee increase = 33% of nexus	$7.74 - $10.21	$18.04 - $28.85	$1.6bn	$884mn	$54mn	$29mn	$15.5mn
6. Tier by project height / construction type							
a. Below 55' (base); 55'-85' (+$1); 85' and up (+$2)	$7.74 - $10.74	$18.04 - $20.04	$1.3bn	$535mn	$43mn	$18mn	$3.8mn
b. Below 55' (base); 55'-85' (+$3); 85' and up (+$5)	$7.74 - $12.84	$18.04 - $23.04	$1.5bn	$722mn	$51mn	$24mn	$10.1mn
7. Three tiers by project size (UPDATED 10/2/15) Residential: 21-50 units ($7.74), 51-99 units ($8.98), 100+ units ($10.21) Non-res: <40k GSF ($21.86), 40-100k GSF ($25.36), >100,000 GSF ($28.85)	$7.74 - $10.21	$21.86 - $28.85	$1.7bn	$948mn	$57mn	$32mn	$17.6mn

Projected TSF Revenues: Alternative Fee Scenarios: Detailed (UPDATED 10/2/15)

Fee Scenario	TSF rates ($/GSF)	Projected revenue: 30-year total		Projected revenue: Annual		Net increase above proposed (annual)
		Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
1. Proposed rates		$1.2bn	$420mn	$39mn	$14mn	–
Residential	$7.74	*$391,457,000*	*$359,357,000*	*$13,049,000*	*$11,979,000*	–
Non-residential	$18.04	*$740,524,000*	*$59,839,000*	*$24,684,000*	*$1,994,000*	–
2. Increase rates by $1		$1.3bn	$511mn	$42mn	$17mn	$3.1mn
Residential	$8.84	*$445,370,000*	*$413,270,000*	*$14,846,000*	*$13,776,000*	*$1,797,000*
Non-residential	$19.04	*$778,547,000*	*$97,709,000*	*$25,952,000*	*$3,257,000*	*$1,263,000*
3. Commission recommendation: Eliminate area plan credit		$1.2bn	$453mn	$40mn	$15mn	$1.0mn
Residential	$7.74	*$402,191,000*	*$370,091,000*	*$13,406,000*	*$12,336,000*	*$357,000*
Non-residential	$18.04	*$760,829,000*	*$81,205,000*	*$25,361,000*	*$2,707,000*	*$713,000*
4. Commission recommendation: 33% of Nexus		$1.7bn	$954mn	$57mn	$32mn	$17.8mn
Residential	$10.21	*$504,749,000*	*$472,649,000*	*$16,825,000*	*$15,755,000*	*$3,776,000*
Non-residential	$28.85	*$1,157,441,000*	*$480,854,000*	*$38,581,000*	*$16,028,000*	*$14,034,000*
5. Tier by project size: for res >100 units and non-res >100k sq ft						
a. Fee increase = $1		$1.2bn	$497mn	$42mn	$16mn	$2.6mn
Residential	$7.74 - $8.84	*$432,985,000*	*$400,885,000*	*$14,433,000*	*$13,363,000*	*$1,384,000*
Non-residential	$18.04 - $19.04	*$776,764,000*	*$95,950,000*	*$25,892,000*	*$3,198,000*	*$1,204,000*
b. Fee increase = $3		$1.4bn	$652mn	$47mn	$22mn	$7.7mn
Residential	$7.74 - $10.84	*$515,462,000*	*$483,362,000*	*$17,182,000*	*$16,112,000*	*$4,133,000*
Non-residential	$18.04 - $21.04	*$849,305,000*	*$168,252,000*	*$28,310,000*	*$5,608,000*	*$3,614,000*
c. Fee increase = $5		$1.6bn	$807mn	$52mn	$27mn	$12.9mn
Residential	$7.74 - $12.84	*$572,470,000*	*$540,370,000*	*$19,082,000*	*$18,012,000*	*$6,033,000*
Non-residential	$18.04 - $23.04	*$943,235,000*	*$266,423,000*	*$31,441,000*	*$8,881,000*	*$6,887,000*
d. Fee increase = 33% of nexus		$1.6bn	$884mn	$54mn	$29mn	$15.5mn
Residential	$7.74 - $10.21	*$486,905,000*	*$454,805,000*	*$16,230,000*	*$15,160,000*	*$3,181,000*
Non-residential	$18.04 - $28.85	*$1,110,675,000*	*$429,143,000*	*$37,023,000*	*$14,305,000*	*$12,311,000*
6. Tier by project height / construction type						
a. Below 55' (base); 55'-85' (+$1); 85' and up (+$2)		$1.3bn	$535mn	$43mn	$18mn	$3.8mn
Residential	$7.74 - $10.74	*$450,296,000*	*$418,196,000*	*$15,010,000*	*$13,940,000*	*$1,961,000*
Non-residential	$18.04 - $20.04	*$797,863,000*	*$116,973,000*	*$26,595,000*	*$3,899,000*	*$1,905,000*
b. Below 55' (base); 55'-85' (+$3); 85' and up (+$5)		$1.5bn	$722mn	$51mn	$24mn	$10.1mn
Residential	$7.74 - $12.84	*$546,704,000*	*$514,604,000*	*$18,223,000*	*$17,153,000*	*$5,174,000*
Non-residential	$18.04 - $23.04	*$888,236,000*	*$207,095,000*	*$29,608,000*	*$6,904,000*	*$4,910,000*
7. Three tiers by project size (UPDATED 10/2/15)						
a. Residential: 21-50 units ($7.74); 51-99 units ($8.98); 100+ units ($10.21) Non-res: <40k GSF ($21.86); 40-100k GSF ($25.36); >100,000 GSF ($28.85)		$1.7bn	$948mn	$57mn	$32mn	$17.6mn
Residential	$7.74 - $10.74	*$471,381,000*	*$439,281,000*	*$15,713,000*	*$14,643,000*	*$2,664,000*
Non-residential	$18.04 - $20.04	*$1,187,980,000*	*$508,225,000*	*$39,599,000*	*$16,941,000*	*$14,947,000*

Appendix: Updates to TSF Feasibility Analysis to Evaluate Recommendations of the Planning Commission & Board of Supervisors (Updated 10/2/2015) |

PROJECT SIZE:

Residential Project Size in Current Pipeline (2015 Q2)

Project size	Total GSF	% of total residential development
Projects < 100 units	4,170,000	15%
Projects > 100 units	23,628,000	85%
TOTAL	**27,798,000**	**100.00%**

Nonresidential Project Size in Current Pipeline (2015 Q2)

Project size	Total GSF	% of total non-residential development
Projects < 100k	2,571,000	11%
Projects > 100k	20,428,00	89%
TOTAL	**22,999,000**	**100.00%**

PROJECT HEIGHT / CONSTRUCTION TYPE:

Residential Pipeline by Height/Construction Type (2015 Q2)

Height limit	# of Projects	Total GSF	% of total	Total units	Average # units	Smallest project (units)	Largest project (units)
up to 55'	35	6,253,000	22%	6,253	179	21	450
55'-85'	69	10,267,000	37%	10,267	149	24	560
Above 85'	51	11,278,000	41%	11,278	221	26	688
TOTAL	**155**	**27,798,000**	**100.0%**	**27,798**			

Non-Residential Pipeline by Height/Construction Type (2015 Q2)

Height limit	# of Projects	Total GSF	% of total	Average GSF	Smallest project (GSF)	Largest project (GSF)
up to 55'	83	2,550,000	12%	31,000	475	72,856
55'-85'	81	7,240,000	33%	89,000	415	700,456
Above 85'	81	12,306,000	56%	152,000	210	1,970,000
TOTAL	**245**	**22,096,000**	**100.0%**			

Table 1. Residential Projects Under Review: Filed after 7/21/15

Address	Proposed Use			Estimated TSF (see note)		Net additional fee
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed Res: 50% rate Non-res: TIDF	Supervisor proposal: No Grandfathering for projects after 7/21/15	
636-648 Fourth St.	427	493,612	3,165	$1,746,360	$3,877,653	$2,131,294
75 Arkansas Street	50	56,882	8,179	$195,860	$587,816	$391,956
603 Tennessee St.	24	27,744	0	$107,369	$214,739	$107,369
400 Divisadero St.	130	148,000	8,000	$616,530	$1,289,840	$673,310
3620 Cesar Chavez	28	24,600	0	$36,842	$190,404	$153,562
719 Larkin	42	48,552	1,500	$209,781	$402,852	$193,071
830 Eddy St.	120	138,720	0	$536,846	$1,073,693	$536,846
793 South Van Ness	54	62,424	4,867	$312,590	$570,962	$258,372
950 Tennessee St.	129	87,777	0	$70,406	$679,394	$608,988
2918-2924 Mission St.	38	36,600	7,400	$211,674	$416,780	$205,106
			TOTAL	$4,044,259	$9,304,134	$5,259,875

Table 2. Residential Projects Under Review: Filed 7/1/14-7/21/15 (Commission Recommendation: 75% of TSF rate)

Address	Proposed Use			Estimated TSF (see note)		Net additional fee
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed Res: 50% TSF Non-res: TIDF	Commission recommendation: Tiered grandfathering Res: 75% TSF Non-res: TIDF	
PIER 70	1,100	1,271,600	2,492,050	$7,413,142	$9,873,688	$2,460,546
2070 BRYANT ST	271	313,276	0	$512,869	$1,119,059	$606,189
1601 MISSION ST	220	254,320	9,900	$930,208	$1,422,317	$492,109
975 Bryant Street	195	225,420	0	$404,742	$840,930	$436,188
390 - 01ST ST	170	196,520	0	$772,394	$1,152,660	$380,266
1515 SOUTH VAN NESS AVENUE	160	184,960	1,024	$259,677	$617,574	$357,898
88 ARKANSAS ST	146	168,776	3,275	$367,867	$694,449	$326,582
429 Beale Street and 430 Main Street	140	161,840	0	$891,897	$1,205,057	$313,160
555 Howard St	127	146,812	0	$209,072	$493,153	$284,081
2675 FOLSOM ST	117	135,252	0	$688,373	$950,086	$261,713
1145 Polk Street	54	62,424	0	$0	$61,087	$61,087
2444 LOMBARD ST	53	61,268	2,000	$101,777	$220,330	$118,554
555 GOLDEN GATE AV	52	60,112	1,000	$2,753	$119,070	$116,317
3314 CESAR CHAVEZ ST	50	57,800	0	$36,096	$147,939	$111,843
272 SUTTER ST	45	52,020	16,000	$112,700	$213,359	$100,659
230 07TH ST	44	50,864	415	$303,414	$401,836	$98,422
2238 - 2254 MARKET ST	41	47,396	5,573	$135,489	$227,200	$91,711
875 CALIFORNIA ST / 770 POWELL ST	41	47,396	0	$323,387	$415,098	$91,711
915 - 935 Minna Street	37	42,772	0	$165,528	$248,291	$82,764
1726 - 1730 Mission Street	36	41,616	0	$222,226	$302,753	$80,527
469 EDDY ST	34	39,304	2,600	$154,706	$230,760	$76,053
240 PACIFIC AV	31	35,836	2,018	$122,045	$191,388	$69,343
475 MINNA ST	30	34,680	0	$134,212	$201,317	$67,106
241 10TH ST	28	32,368	18,130	$0	$58,999	$58,999
198 VALENCIA ST	28	32,368	0	$94,961	$157,593	$62,632
3140 16TH ST	28	32,368	6,715	$131,979	$194,611	$62,632
1598 BAY ST	28	32,368	0	$128,547	$191,179	$62,632
2140 - 2144 Market Street	27	31,212	1,150	$19,487	$79,883	$60,395
OCTAVIA BLVD PARCEL T (Central Freeway)	26	30,056	0	$116,317	$174,475	$58,158
300 Octavia Street	24	27,744	1,606	$108,975	$162,660	$53,685
3355 GEARY BL	23	26,588	0	$48,264	$99,711	$51,448
2670 Geary Boulevard	21	24,276	0	$37,974	$84,948	$46,974
			TOTAL	$14,951,079	$22,553,462	$7,602,383

NOTES:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.

Table 3. Residential Projects Under Review: Filed before 7/1/14 (Commission Recommendation: 50% of TSF rate)

Address	Proposed Use			Estimated TSF (see note)
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed Res: 50% TSF Non-res: TIDF
PIER 48	1500	1734000	1950000	$34,849,080
150 VAN NESS AVE	429	495924	-127558	$78,564
1979 MISSION ST	351	405756	0	$1,570,276
800 INDIANA STREET	340	393040	0	$937,394
950 MARKET ST	305	352580	169834	$3,815,189
1066 MARKET ST	304	351424	-526	$1,352,421
50 01ST ST	292	337552	1704000	$25,895,046
1301 16TH STREET	276	319056	0	$946,791
1634-1690 PINE ST	260	300560	6666	$1,259,358
1395 22nd St	251	290156	0	$1,122,904
1800 MISSION ST	207	239292	0	$0
1200 17TH STREET	200	231200	171013	$2,579,162
75 HOWARD ST	186	215016	17900	$1,090,409
1028 MARKET ST	186	215016	9675	$971,722
1540 MARKET ST	180	208080	-13252	$614,043
2070 BRYANT ST	177	204612	0	$418,848
1125 MARKET ST	164	189584	3005	$777,052
950 MASON STREET	160	184960	-295000	$0
1140 FOLSOM STREET	128	147968	-9081	$441,597
1298 HOWARD STREET	121	139876	10050	$686,342
2171 THIRD ST	109	126004	3143	$356,530
1550 MARKET ST	109	126004	-16928	$243,364
1075 MARKET ST	90	104040	-15500	$178,970
750 HARRISON ST	77	89012	2826	$345,539
1335 FOLSOM ST	65	75140	0	$248,270
777 TENNESSEE STREET	59	68204	0	$148,319
807 FRANKLIN ST	50	57800	0	$223,686
651 GEARY ST	46	53176	-8010	$90,207
1174 FOLSOM ST	42	48552	7901	$318,170
901 TENNESSEE STREET	39	45084	0	$107,335
2230 3RD STREET	37	42772	-3201	$119,337
495 CAMBRIDGE ST	32	36992	0	$143,159
22 FRANKLIN ST	28	32368	4323	$187,645
233-237 SHIPLEY ST	22	25432	0	$84,434
			TOTAL	$82,201,164

NOTES:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.

Chen, Lisa (CPC)

From:	Chen, Lisa (CPC)
Sent:	Tuesday, October 13, 2015 5:16 PM
To:	Cohen, Malia (BOS); Kim, Jane (BOS); Wiener, Scott; Avalos, John (BOS); Christensen, Julie (BOS); Breed, London (BOS); Johnston, Conor (BOS); Power, Andres; Tugbenyoh, Mawuli (BOS); Pollock, Jeremy (BOS); Yadegar, Danny (BOS); Burns, Kanishka (BOS); Wheaton, Nicole (MYR)
Cc:	Ruiz-Esquide, Andrea (CAT); Wise, Viktoriya (MTA); Bose, Sonali (MTA); Michael Schwartz (michael.schwartz@sfcta.org); Teague, Corey (CPC); Auyoung, Dillon
Subject:	Revised: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (
Attachments:	TSF Response to BOS_LUT Committee Amendments 10 13 15.pdf; TSF Response to BOS_LUT Committee Amendments 10 13 15_track changes.pdf; Appendix_TSF Residential Pipeline projections_10 08 15.pdf

Good afternoon Supervisors, legislative aides, and Nicole,

There has been a request that the Planning Department provide more detailed projections on the potential impact of modifying the TSF fee applicability for institutions (hospitals and universities), so in response please find attached a revised version of the memos on the October 5th TSF amendments.

As always, please let us know if you have further questions. Thank you.

Kind regards,

Lisa Chen
Planner, Citywide Planning Division

Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Phone: 415-575-9124 **Fax:** 415-558-6409
Email:lisa.chen@sfgov.org
Web:www.sfplanning.org



From: Chen, Lisa (CPC)
Sent: Thursday, October 08, 2015 11:57 PM
To: Cohen, Malia (BOS); Kim, Jane (BOS); Wiener, Scott; Avalos, John (BOS); Christensen, Julie (BOS); Breed, London (BOS); Johnston, Conor (BOS); Power, Andres; Tugbenyoh, Mawuli (BOS); Pollock, Jeremy (BOS); Yadegar, Danny (BOS); Burns, Kanishka (BOS); Wheaton, Nicole (MYR)
Cc: Ruiz-Esquide, Andrea (CAT); Wise, Viktoriya (MTA); Bose, Sonali (MTA); Michael Schwartz (michael.schwartz@sfcta.org); Teague, Corey (CPC); Auyoung, Dillon
Subject: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (ATTORNEY-CLIENT PRIVILEGE)

Dear Supervisors, legislative aides, and Nicole,

In response to the October 5th Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF), staff from the Planning Department and SFMTA have prepared information on the fiscal impact of the amendments made to the proposed legislation, attached. Also attached is an updated list of residential pipeline projects and projected revenues.

Please let us know if you have any further questions or would like to discuss any of the findings. Thank you.

Kind regards,

Lisa Chen
Planner, Citywide Planning Division

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Chen, Lisa (CPC)

From: Chen, Lisa (CPC)
Sent: Tuesday, October 13, 2015 5:37 PM
To: Johnston, Conor (BOS); Cohen, Malia (BOS); Kim, Jane (BOS); Wiener, Scott; Avalos, John (BOS); Christensen, Julie (BOS); Breed, London (BOS); Power, Andres; Tugbenyoh, Mawuli (BOS); Pollock, Jeremy (BOS); Yadegar, Danny (BOS); Burns, Kanishka (BOS); Wheaton, Nicole (MYR)
Cc: Ruiz-Esquide, Andrea (CAT); Wise, Viktoriya (MTA); Bose, Sonali (MTA); Michael Schwartz (michael.schwartz@sfcta.org); Teague, Corey (CPC); Auyoung, Dillon
Subject: RE: Revised: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (

Hi Conor,

The previous numbers from Oct 8th are from the TSF Nexus Study, which combined all Cultural, Institutional, and Educational uses – in other words, it overestimated the amount of revenue loss from universities. We were asked to refine the analysis to separate out just the universities, hence the lower value. The revised numbers are reasonably close to what we would expect, based on 10 years of prior development.

Let me know if you have further questions. Thank you.

Best,

Lisa Chen
Planner, Citywide Planning Division

Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Phone: 415-575-9124 **Fax:** 415-558-6409
Email:lisa.chen@sfgov.org
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From: Johnston, Conor (BOS)
Sent: Tuesday, October 13, 2015 5:25 PM
To: Chen, Lisa (CPC); Cohen, Malia (BOS); Kim, Jane (BOS); Wiener, Scott; Avalos, John (BOS); Christensen, Julie (BOS); Breed, London (BOS); Power, Andres; Tugbenyoh, Mawuli (BOS); Pollock, Jeremy (BOS); Yadegar, Danny (BOS); Burns, Kanishka (BOS); Wheaton, Nicole (MYR)
Cc: Ruiz-Esquide, Andrea (CAT); Wise, Viktoriya (MTA); Bose, Sonali (MTA); Michael Schwartz (michael.schwartz@sfcta.org); Teague, Corey (CPC); Auyoung, Dillon
Subject: RE: Revised: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (

Lisa, why are the numbers changing so much on these items, e.g. $3M annual drop on universities?

Conor Johnston
Office of Supervisor London Breed
President of the Board of Supervisors
415-554-6783

Sign up for Supervisor Breed's newsletter here
or visit her website here.

From: Chen, Lisa (CPC)
Sent: Tuesday, October 13, 2015 5:16 PM
To: Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Avalos, John (BOS) <john.avalos@sfgov.org>; Christensen, Julie (BOS) <Julie.Christensen@sfgov.org>; Breed, London (BOS) <london.breed@sfgov.org>; Johnston, Conor (BOS) <conor.johnston@sfgov.org>; Power, Andres <andres.power@sfgov.org>; Tugbenyoh, Mawuli (BOS) <mawuli.tugbenyoh@sfgov.org>; Pollock, Jeremy (BOS) <jeremy.pollock@sfgov.org>; Yadegar, Danny (BOS) <danny.yadegar@sfgov.org>; Burns, Kanishka (BOS) <kanishka.burns@sfgov.org>; Wheaton, Nicole (MYR) <nicole.wheaton@sfgov.org>
Cc: Ruiz-Esquide, Andrea (CAT) <andrea.ruiz-esquide@sfgov.org>; Wise, Viktoriya (MTA) <viktoriya.a.wise@sfmta.com>; Bose, Sonali (MTA) <sonali.bose@sfmta.com>; Michael Schwartz (michael.schwartz@sfcta.org) <michael.schwartz@sfcta.org>; Teague, Corey (CPC) <corey.teague@sfgov.org>; Auyoung, Dillon <Dillon.Auyoung@sfmta.com>
Subject: Revised: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (ATTORNEY-CLIENT PRIVILEGE)

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There has been a request that the Planning Department provide more detailed projections on the potential impact of modifying the TSF fee applicability for institutions (hospitals and universities), so in response please find attached a revised version of the memos on the October 5th TSF amendments.

As always, please let us know if you have further questions. Thank you.

Kind regards,

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Subject: TSF - Revenue projections for October 5th Land Use & Transportation Committee Amendments (ATTORNEY-CLIENT PRIVILEGE)

Dear Supervisors, legislative aides, and Nicole,

In response to the October 5th Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF), staff from the Planning Department and SFMTA have prepared information on the fiscal impact of the amendments made to the proposed legislation, attached. Also attached is an updated list of residential pipeline projects and projected revenues.

Please let us know if you have any further questions or would like to discuss any of the findings. Thank you.

Kind regards,

Lisa Chen
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Web:www.sfplanning.org



TSF: Impact of October 5th Land Use & Transportation Committee Amendments (UPDATED 10/13/15)

Dear Supervisors Cohen, Kim, Wiener, Avalos, Breed, and Christensen,

In response to the October 5th, 2015 Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF), staff from the Planning Department and SFMTA have prepared information on the fiscal impact of the amendments made to the proposed legislation. Please let us know if you would like to discuss any of the information presented below.

The combined impact of all of these amendments is an increase of approximately *$153.0 ~~$90.1 million over 30 years, or $5.1~~$3.1 million annually, summarized below.*

This would bring total projected TSF revenues to $1.3 billion over 30 years, or $19 million annually. This represents approximately $570 million in net new transportation revenue above existing TIDF~~, summarized as follows:~~

TSF Revenue Generation: Land Use & Transportation Committee October 5th Amendments

Fee Scenario	Net increase in TSF revenue (30 years)	Net increase in TSF revenue (annual)
Tier by project size: for res >100 units & non-res >100k sq ft	$55.5mn	$1.9mn
No grandfathering for projects filed after 7/21/15	$4.9mn	$0.2mn
Eliminate area plan exemption	$53.6mn	$1.8mn
Increase PDR fee trigger to 1500 sq ft	Negligible	Negligible
Apply TSF to hospitals	$57.8~~83.4~~mn	$1.9~~2.8~~mn
Exempt post-secondary educational uses	($18.8~~107.3~~mn)	($0.6~~3.6~~mn)
TOTAL	$153.0~~90.1~~mn	$5.1~~3.1~~mn

Total TSF Revenue Generation with October 5th Amendments

Fee Scenario	Projected revenue: 30-year total		Projected revenue: Annual		Net increase (annual)
	Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
TSF as proposed	$1.2bn	$420mn	$40mn	$14mn	–
With October 5th amendments	$1.3~~2~~bn	$570~~10~~mn	$44~~3~~mn	$19~~7~~mn	$5~~3~~.1mn

1. **Amendment: Increase the fee rates for large projects, defined as residential uses >99 units or non-residential uses >100k sq ft. For all gross square feet over this threshold (i.e. any units above 99 units and all nonresidential square footage above 100k sq ft), projects would pay an additional $1/square foot, or $8.74 for residential and $19.04 for nonresidential.**

Increasing the fee for large projects would result in an increase of approximately *$55 million dollars over 30 years; or $1.9 million dollars annually,* as follows.

TSF Revenue Generation: Fee Increase for Large Projects

Fee Scenario	Projected revenue: 30-year total		Projected revenue: Annual		Net increase (annual)
	Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
Rates as proposed	$1.2bn	$420mn	$39mn	$14mn	--
Tier by project size: for res >100 units and non-res >100k sq ft	$1.2bn	$475mn	$41mn	$16mn	$1.9mn

2. **Amendment: Amend grandfathering such that residential projects that filed a development application after the introduction date of the Ordinance (July 21st, 2015) would receive no grandfathering and would pay 100% of the TSF rate.**

Currently, there are 10 residential projects in the pipeline that filed after July 21st, 2015. If these projects were to pay the TSF in full, this would result in an additional *$4.9 million* above the Ordinance as proposed, as follows. See the appendix for a list of residential projects in the pipeline.

TSF Residential Grandfathering (2015 Q2 Development Pipeline)[1]

Ordinance as Proposed			October 5th LU&T Committee Amendment		
Project status	**Proposed rate ($/GSF)**	**Revenue generation**	**Project Status**	**Proposed Rate ($/GSF)**	**Revenue generation**
Entitled	$0	$0	Entitled	$0	$0
Under review	$3.87	$54.0mn	Under review, filed before 7/21/15	$3.87	$49.1mn
			Under review, filed after 7/21/15	$7.74	$9.8mn
	TOTAL	$54.0mn		TOTAL	$58.9mn
				Net increase	*$4.9mn*

3. **Amendment: Eliminate the Area Plan credit for residential uses, such that projects would pay both the TSF and area plan transportation fees in full.**

[1] Based on amended fee rates (including fee increase for projects >100 units or 100k sq ft).

Based on projected development, removing the area plan credit would generate approximately *$1.1 million annually, or $32.1 million through 2040.*

In addition, projects in the current development pipeline would contribute an additional *$21.5 million, bringing the total to $53.6 million.*

4. Amendment: Increase the PDR fee trigger from 800 GSF to 1500 GSF

The impact of modifying the PDR fee trigger is minimal. Based on building permit data for completed projects over the last 10 years, out of 433,000 square feet of PDR development added in the City over this period, only one project fell under the 1,500 square foot threshold.

Based on the TSF Nexus Study, the City is projected to add ~~5.7~~6.1 million square feet of new PDR development through 2040 that would be subject to the TSF, comprising about 1% of total non-residential development.

5. [updated: 10/13/15] Amendment: Apply the TSF to hospitals

Based on the TSF Nexus Study, the City is projected to add 3.2 ~~5.5~~ million square feet of new hospital development through 2040 that would be subject to the TSF, ~~or~~ representing less than 1% of total non-residential development. Applying the fee to hospitals would raise an additional *~~$83.4~~ $57.8 million dollars over 30 years, or roughly ~~$2.8~~ $1.9 million annually.*[2]

6. [updated: 10/13/15] Amendment: Exempt post-secondary educational uses

The TSF Nexus Study projects that the City will add roughly ~~7.2~~5.8 million square feet of Cultural, Institutional, and Educational uses through 2040 that would be subject to the TSF, representing a little over 1% of nonresidential development. Based on completed projects from 2000-2010, private nonprofit universities may be expected to account for approximately 18% of this amount, or 1.0 million square feet.

Exempting these uses from the fee would result in a *revenue loss of approximately $18.8 ~~$107.3 million~~ dollars over 30 years, or $630,000~~3.6 million~~ annually.*

~~Please note that this category combines post-secondary educational uses with other uses that would also be exempt, such as museums and private schools. Thus, this figure likely overestimates the impact of the post-secondary education exemption.~~

In addition, these projections do not differentiate between student housing and other types of post-secondary educational uses, such as instructional spaces.

[2] Please note that previous projections for institutional uses (hospitals and post-secondary institutions) were based on data for 10 years of completed projects. In this updated analysis, the TSF projections use the higher figures for land use and employment from the TSF Nexus Study, for the sake of consistency. These projections utilize ABAG projections combined with Planning Department Land Use Allocation figures.

Chen, Lisa (CPC)

From: Chen, Lisa (CPC)
Sent: Friday, October 02, 2015 10:49 AM
To: 'Malia.Cohen@sfgov1.onmicrosoft.com'; 'Jane.Kim@sfgov1.onmicrosoft.com'; 'Scott.Wiener@sfgov1.onmicrosoft.com'; Avalos, John (BOS); Power, Andres; 'Mawuli.Tugbenyoh@sfgov1.onmicrosoft.com'; 'Jeremy.Pollock@sfgov1.onmicrosoft.com'; Yadegar, Danny (BOS); 'Nicole.Wheaton@sfgov1.onmicrosoft.com'
Cc: Teague, Corey (CPC); Wise, Viktoriya (MTA); 'Andrea Ruiz-Esquide'
Subject: TSF - Responses to Land Use Committee Questions (
Attachments: TSF Response to BOS LU Committee Questions 10_2_15_update_final.pdf; Appendix_TSF Updates to Feasibility Study 10_2_15 update_fin.pdf; TSF Residential grandfathering_10 05 15_ATTY-CLIENT PRIVILEGE_final.pdf

Dear Supervisors, legislative aides, and Nicole,

As a follow up to the materials transmitted yesterday, Planning Department and SFMTA staff have prepared additional information in response to questions raised at Monday's Land Use Committee hearing on the Transportation Sustainability Fee (TSF). Please see the revised documents attached, which include:

- An updated response to questions, with added information on the potential impact of tiered Non-residential grandfathering rates. (page 3)
- An updated appendix, with added information on the projected TSF revenues for an additional 3-tier fee structure. (pages 4-5)
- A list of residential projects in the pipeline that fall under the grandfathering triggers.

Please let me know if you have any questions. Thank you.

Regards,

Lisa Chen
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From: Andrea Ruiz-Esquide [mailto:Andrea.Ruiz-Esquide@sfgov.org]
Sent: Thursday, October 01, 2015 10:17 AM
To: Chen, Lisa (CPC); Teague, Corey (CPC); Wise, Viktoriya (MTA)
Subject: Fw: TSF - Responses to Land Use Committee Questions

FYI

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To: Malia.Cohen@sfgov1.onmicrosoft.com, Jane.Kim@sfgov1.onmicrosoft.com, Scott.Wiener@sfgov1.onmicrosoft.com, Mawuli.Tugbenyoh@sfgov1.onmicrosoft.com, Jeremy.Pollock@sfgov1.onmicrosoft.com, Danny.Yadegar@sfgov.org, Nicole.Wheaton@sfgov1.onmicrosoft.com,
Cc: Sonali.Bose@sfmta.com
Date: 10/01/2015 10:16 AM
Subject: TSF - Responses to Land Use Committee Questions

Dear Supervisors, legislative aides, and Nicole,

Planning Department and SFMTA staff have prepared answers to the questions you posed during last Monday's Land Use Committee hearing on the Transportation Sustainability Fee (TSF). Please see the documents attached.

We are still working to provide you some information on other questions you have posed, specifically:

- additional information on grandfathering;
- list of projects that fall under the grandfathering triggers;
- list of projects that would be subject to the TSF triggers if the initial date was moved to date of introduction;
- different iteration of fee projections.

Supplemental materials with answers to these questions will be sent to you this afternoon.

Please let me know if you have any questions.

Andrea

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Supervisors Cohen, Kim, Wiener and Avalos,

Thank you for your thoughtful comments at the September 28th, 2015 Land Use and Transportation Committee hearing on establishing a new citywide Transportation Sustainability Fee (TSF). Staff has prepared additional information in response to key questions raised at this hearing. Please let us know if you would like to discuss any of the information presented below.

1. Would it be possible to exempt hospitals from the TSF based on some criterion other than their non-profit status?

During the drafting of the TSF Ordinance, staff worked with the San Francisco Department of Public Health (SFDPH) to create an exemption that would apply to medical uses primarily serving vulnerable populations including but not limited to: Medi-Cal beneficiaries, uninsured residents, limited English speakers, and populations with documented high rates of health disparities, as defined in the Health Care Services Master Plan. Below is an outline of the process that would allow for such an exemption.

Review Process for Medical Uses

When a medical service provider submits an application to the Planning Department for a development project, there are two separate processes through which the project could be found to be exempt from the TSF. A project may satisfy the requirements of one or both in order to receive an exemption.

- **Charitable Exemption Process:** The project is exempt from TSF if both of the following are satisfied: (1) the medical service provider is a non-profit organization developing on land that is tax-exempt[1]; and, (2) the medical service provider occupies <50,000 sf of site area or <100,000 sf of site area in C-3 districts (the minimum threshold for requiring a full Institutional Master Plan). In other words, if the project does not require a full Institutional Master Plan, it would not need to pay the TSF. If, however, the project does require a full Institutional Master Plan, certain medical use projects would be exempt from the TSF as outlined in #2 below.

- **Healthcare Services Master Plan Consistency Determination Process:** A TSF exemption will be granted to projects that the SF Health Commission or SFDPH staff (as applicable) find to be: (1) Consistent with the Health Care Services Master Plan Health Care Services; and, (2) Eligible for Development Incentives under such plan. The process varies depending on project size:

    a. ***Projects requiring HCSMP review*** (>10,000 GSF of new construction, or >5,000 GSF change of use): These projects will undergo the usual HCSMP Consistency Determination process. The Planning Department will grant a TSF exemption if the SF Health Commission issues a "Finding of Consistency" with the HCSMP, together with the determination that the use is "Eligible for Development Incentives" under such plan.
    b. ***Administrative review for smaller projects*** (<10,000 GSF of new construction, or <5,000 GSF change of use): These projects are not currently required to undergo the HCSMP Consistency Determination process. The project sponsor must file an exemption application with the Planning Department. The Planning Department will grant a TSF exemption if SFDPH staff issue a "Finding of Consistency" with the HCSMP, together with the determination that the use is "Eligible for Development Incentives" under such plan.

The TSF ordinance could be amended to state that any project that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for charitable exemptions except if it is a medical use that is found by the SF Health Commission or the SFDPH to be consistent with the Health Care Services Master Plan and eligible for Development Incentives under this Plan. Projects would be required to remain eligible for Development Incentives for at least 10 years. If the property

[1] Projects will need to submit an application for a Charitable Exemption in order to verify non-profit status (or undergo a similar process, to be determined).

or portion thereof ceases to be eligible for Development Incentives within the 10-year period, the property owner will be required to pay the TSF.

2. **What is the best way to treat post-secondary educational institutions when they are providing student housing?**

As currently proposed, the TSF would apply to all projects of non-profit post-secondary educational institutions that require an Institutional Master Plan under Section 304. 5 of the Planning Code. Given the recent legislation that encourages universities to create new student housing, the TSF Ordinance could be amended to exempt student housing proposed by non-profit post-secondary educational institutions from the fee. Section 411.A.3(b) of the ordinance already sets forth a number of proposed exemptions in support of existing City policies. The Section could be amended to include an exemption for non-profit student housing as defined in Article 2 of the Planning Code.

> *Planning Code Definition of Student Housing:* A Residential Use characteristic defined as a living space for students of accredited Post-Secondary Educational Institutions that may take the form of Dwelling Units, Group Housing, or SRO Unit and is owned, operated, or otherwise controlled by an accredited Post-Secondary Educational Institution. Unless expressly provided for elsewhere in this Code, the use of Student Housing is permitted where the form of housing is permitted in the underlying Zoning District in which it is located. Student Housing may consist of all or part of a building, and Student Housing owned, operated, or controlled by more than one Post-Secondary Educational Institution may be located in one building.

3. **How would incorporating the grandfathering provisions recommended by the Planning Commission affected the projected revenue? In addition, how would revenue be affected if projects that were filed after the introduction date of the Ordinance (July 21st, 2015) received no grandfathering?**

The Planning Commission recommendations on TSF grandfathering were as follows:

- Residential projects:
    a. Entitled projects: 100% grandfathering (as proposed)
    b. Projects under review:
        - Filed before 7/1/14: 50% rate
        - Filed after 7/1/14: 75% rate
- Nonresidential projects: Fully grandfathered; pays TIDF rates (as proposed)

The impact of these proposed changes is as shown in the table below. Amending the proposed ordinance would generate an additional *$17.5 million*.

TSF Residential Grandfathering

Ordinance as Proposed			Planning Commission Recommendation		
Project status	**Proposed rate ($/GSF)**	**Revenue generation**	**Project Status**	**Proposed Rate ($/GSF)**	**Revenue generation**
Entitled	$0	$0	Entitled	$0	$0
Under review	$3.87	$50.0mn	Under review, filed before 7/1/14	$3.87	$37.5mn
			Under review, filed after 7/1/14	$5.81	$30.0mn
TOTAL		**$50.0mn**	**TOTAL**		**$67.5mn**

At the Land Use & Transportation Committee hearing, Supervisors expressed interest in exploring additional grandfathering options:

- Residential projects: Same as above, but do not grandfather projects that were filed after the date of Ordinance introduction (July 21, 2015)

Currently, there are 14 projects in the pipeline that filed after July 21st, 2015. If these projects were to pay the TSF in full, this would result in an additional *$7.1 million* above the Ordinance as proposed (i.e. 50% TSF rate for residential; TIDF rates for non-residential). These projects were added after the grandfathering analysis was completed, and thus do not overlap with the amounts above.

[UPDATED 10/2/15: Non-residential grandfathering.] At the September 28th Land Use & Transportation hearing, Supervisors expressed interest in potentially applying a tiered grandfathering structure for non-residential uses as well, similar to the Planning Commission recommendation for residential uses (50% of the fee difference for unentitled projects that filed before 7/1/14, 75% of the fee difference thereafter). Modifying the proposal would potentially generate an additional *$10 million* in revenues, as follows.

Non-Residential Grandfathering

Ordinance as Proposed			Tiers based on file date (similar to Planning Commission recommendation)		
Project status	**Rate ($/GSF)**	**Revenue generation**	**Project status**	**Rate ($/GSF)**	**Revenue generation**
Entitled	TIDF rates ($12.12 - $14.59)	$45.3mn	Entitled	TIDF rates ($12.12 - $14.59)	$45.3mn
Under review	TIDF rates ($12.12 - $14.59)	$66.7mn	Under review, filed before 7/1/14 (50% of difference)	$16.24	$72.5mn
			Under review, filed after 7/1/14 (75% of difference)	$17.14	$4.6mn
TOTAL		**$112mn**	**TOTAL**		**$122mn**

4. **What is the effect on feasibility if the Plan Area credit were to be eliminated? How much TSF revenue would this generate?**

(See Appendix B for additional information on updates to the feasibility analysis in response to questions 4-6. Please note that some updates may have caused changes in feasibility as compared to the published study on the TSF website.)

Three prototypes evaluated TSF Economic Feasibility Study were residential prototypes that would receive an Area Plan fee credit under the proposed TSF ordinance. We also analyzed an additional large residential prototype studied under the Central SoMa draft feasibility study (which falls under the Eastern Neighborhoods area plan).

If the credit were to be eliminated, all 4 prototypes would continue to remain feasible, as measured by percent change in residual land value (RLV). The change in RLV would range from 1-2%.

5. **What is the effect on feasibility if TSF rates were tiered based on project size and/or construction type (i.e. mid-rise vs. high-rise construction)?**

In order to help answer this question, staff made adjustments to the findings of the feasibility study to evaluate whether there is a clear relationship between project size, economic feasibility, and the ability to absorb higher fee levels. Our findings indicate:

- **Residential**: Based on analysis of 8 residential prototypes, we found *no clear correlation between residential project size (whether measured by unit count or square footage) and economic feasibility*. Charging variable rates would have uneven impacts on project feasibility. Even though high-rise projects can charge higher rents and sales prices, they also incur higher construction and other costs, so they may not be more feasible nor more profitable on a per square footage basis than medium- or low-rise construction.

- **Non-residential**: Staff examined the 2 large office prototypes in the TSF Feasibility Study, as well as a medium office prototype from the Central SoMa draft feasibility study. We found that the two larger office prototypes (400' and 160') performed similarly well, while the medium office project was more sensitive to the impact of higher fees.

    - This is consistent with the findings of the TSF and Central SoMa feasibility studies, which indicate that large office projects are more feasible and prevalent than smaller projects. This is reflected in the current development pipeline, in which 89% of nonresidential development is >100k square feet. Given the predominance of larger office projects, a single fee rate may make more logical sense.

See Appendix B for additional information on project sizes in the current development pipeline, as well as TSF revenue projections based on different tiered proposals.

6. **What are the maximum TSF rates that could be charged based on economic feasibility? What would be the impact on feasibility if the TSF rates were increased to 33% of the nexus?**

The prototypes indicate that project feasibility is determined by a number of related factors, including but not limited to: lot size, land use controls (particularly height and density limits), geographic location, and project size. No single factor explains the variability in project feasibility.

Supportable TSF rates for each prototype are listed in the tables below. The supportable rate was determined by examining the impact of the fee on a number of financial indicators, the primary one being impact on RLV.[2] The key findings include:

- The majority (7 of 8) of residential prototypes could support a fee of *$7.74/GSF with elimination of the area plan credit*. If the fee were increased to $8.75/GSF, half of the prototypes could become infeasible.
- The 2 large office projects could support a fee of *$21.65/GSF*. The smaller project could support a fee of *$19.04/GSF*.
- 33% of the TSF Nexus rate would represent $10.21/GSF for residential and $28.85/GSF for non-residential projects. Fees at these levels could be supported by *2 out of the 8 residential prototypes, and 0 out of the 3 non-residential prototypes*.

TSF Economic Feasibility: Residential Prototypes

Prototype (in order of size)	Project size			Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	Supportable TSF Rate (based on RLV and financial indicators)[1]
	# of units	GSF	Height			
4. Mission	15 units	22,264 sf	50'	High	$188	$10.21/GSF + no area plan credit
3. Outer Mission	24 units	41,800 sf	65'	Low	$27	Project infeasible due to low revenues relative to costs: fee not supportable
2. Van Ness Ave	60 units	86,000 sf	80'	Medium	$101	$7.74/GSF
6. East SoMa	60 units	60,550 sf	85'	Medium	$132	$9.29/GSF + no area plan credit
8. East SoMa	128 units	161,000 sf	160'	Medium	$108	$7.74/GSF + no area plan credit
5. Central Waterfront	156 units	154,700 sf	65'	High	$185	$10.21/GSF +no area plan credit
(NEW) Central SoMa	217 units	315,010 sf	400'	Medium	$133	$8.74/GSF + no area plan credit
9. Transit Center	229 units	332,800 sf	400'	Medium	$107	$7.74/GSF

[2] Supportable TSF rate developed based on the following financial indicators: % change in Residual Land Value (RLV), RLV per unit, Return on Cost, and Developer Margin as % of Total Costs.

TSF Economic Feasibility: Non-residential Prototypes

Prototype Description	Lot size	Project size		Overall feasibility (before TSF)	RLV per building square foot ($/NSF)	Supportable TSF Rate (based on RLV and financial indicators))
		GSF	Height			
(NEW) Central SoMa	15,000 sf	92,000 sf	85'	Medium	$87	$19.04/GSF
7. East SoMa	35,000 sf	249,300 sf	160'	High	$128	$21.65/GSF
10. Transit Center	20,000 sf	384,700 sf	400'	High	$132	$21.65/GSF

Appendix: Updates to TSF Feasibility Analysis to Evaluate Recommendations of the Planning Commission & Board of Supervisors (Updated 10/2/2015) |

Notes on updates to feasibility study:

- In order to facilitate more consistent comparison across prototypes and fee scenarios, Staff updated the TSF economic feasibility analysis as follows:
    - Prototypes were re-ordered by project size (ascending based on # of units or building square footage).
    - The analysis eliminated the fee credit for prior uses on site (i.e. an existing retail or warehouse building). Each prototype now reflects a development project on vacant land under current market conditions. For some prototypes, this meant that development feasibility worsened.

- For ease of comparison, some of the fee scenarios discussed at the Commission and at the Land Use & Transportation Committee were consolidated.

- Additional prototypes from draft Central SoMa feasibility study were added to illustrate the impact of the fee on project types not represented in the TSF feasibility study.

Residential prototypes: Staff evaluated the following TSF fee scenarios, in order of cost:

- $6.19/GSF + eliminate area plan credit
- $7.74/GSF (AS PROPOSED)
- $7.74/GSF + eliminate area plan credit (COMMISSION RECOMMENDATION)
- $8.74/GSF + eliminate area plan credit
- $9.29/GSF + eliminate area plan credit
- $10.21/GSF + eliminate area plan credit (33% of nexus; COMMISSION RECOMMENDATION)
- $15.48/GSF + eliminate area plan credit

Non-residential prototypes: Staff evaluated the following TSF fee scenarios:

- $14.43/GSF
- $18.04/GSF (AS PROPOSED)
- $19.04/GSF
- $21.65/GSF
- $28.85/GSF (33% of nexus; COMMISSION RECOMMENDATION)
- $36.08/GSF

TSF ECONOMIC FEASIBILITY STUDY - Updated 9/30/2015

Key to shading:		
	-3%	< 5% change in RLV
	-6%	5-9% change in RLV
	-10%	> 10% change in RLV

Impact of TSF on Residual Land Value: Residential Projects

Prototype Description	Lot size	Project size: # of units	Project size: GSF	Project size: Height	Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	TSF Fee Scenario: % Change in Residual Land Value (RLV): $6.19/GSF + no area plan credit	AS PROPOSED: $7.74/GSF	COMMISSION RECOMMENDATION: $7.74/GSF + no area plan credit	$8.74/GSF + no area plan credit	$9.29/GSF + no area plan credit	COMMISSION RECOMMENDATION: $10.21/GSF (33% nexus) + no area plan credit	$15.48/GSF + no area plan credit	Supportable TSF Rate (based on RLV and financial indicators)
4. Mission	6,000 sf	15 units	22,264 sf	50 feet	High	$188	-4%	-5%	-5%	-6%	-6%	-8%	-12%	$10.21/GSF
3. Outer Mission	14,400 sf	24 units	41,800 sf	65 feet	Low	$27	-27%	-35%	-35%	-41%	-44%	-50%	-76%	Project infeasible due to low revenues relative to costs - fee not supportable
2. Van Ness Ave	24,300 sf	60 units	86,000 sf	80 feet	Medium	$101	-7%	-9%	-9%	-10%	-11%	-13%	-20%	$7.74/GSF
6. East SoMa	10,000 sf	60 units	60,550 sf	85 feet	Medium	$132	-5%	-5%	-7%	-8%	-9%	-10%	-15%	$9.29/GSF + no area plan credit
8. East SoMa	15,000 sf	128 units	161,000 sf	160 feet	Medium	$108	-7%	-7%	-9%	-10%	-11%	-12%	-19%	$7.74/GSF + no area plan credit
5. Central Waterfront	35,000 sf	156 units	154,700 sf	65 feet	High	$185	-4%	-4%	-5%	-6%	-6%	-7%	-11%	$10.21/GSF + no area plan credit
(NEW) Central SoMa	15,000 sf	217 units	315,010 sf	400 feet	Medium	$133	-6%	-8%	-8%	-9%	-10%	-10%	-16%	$8.74/GSF + no area plan credit
9. Transit Center	15,000 sf	229 units	332,800 sf	400 feet	Medium	$107	-8%	-10%	-10%	-11%	-12%	-13%	-20%	$7.74/GSF + no area plan credit

Impact of TSF on Residual Land Value: Non-residential Projects

Prototype Description	Lot size	Project size		Base case: feasibility (before TSF)	Base case: RLV per building square foot ($/NSF)	TSF Fee Scenario: % Change in Residual Land Value (RLV)						Supportable TSF Rate (based on RLV and financial indicators)
		GSF	Height			$14.43/GSF	AS PROPOSED: $18.04/GSF	$19.04/GSF	$21.65/GSF	$28.85/GSF (33% of nexus)	$36.08/GSF	
(NEW) Central SoMa	15,000 sf	92,000 sf	85'	Medium	$87	-1%	-5%	-7%	-10%	-19%	-28%	$19.04/GSF
7. East SoMa	35,000 sf	249,300 sf	160'	High	$128	0%	-4%	-4%	-7%	-13%	-19%	$21.65/GSF
10. Transit Center	20,000 sf	384,700 sf	400'	High	$132	0%	-4%	-5%	-7%	-14%	-20%	$21.65/GSF

Projected TSF Revenues: Alternative Fee Scenarios: Summary (UPDATED 10/2/15)

Fee Scenario	Residential rate ($/GSF)	Nonresidential rates ($/GSF)	Projected revenue: 30-year total		Projected revenue: Annual		Net increase above proposed (annual)
			Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
1. Proposed rates	$7.74	$18.04	$1.2bn	$420mn	$39mn	$14mn	--
2. Increase rates by $1	$8.84	$19.04	$1.3bn	$511mn	$42mn	$17mn	$3.1mn
3. Commission recommendation: Eliminate area plan credit	$7.74	$18.04	$1.2bn	$453mn	$40mn	$15mn	**$1.0mn**
4. Commission recommendation: 33% of Nexus	$10.21	$28.85	$1.7bn	$954mn	$57mn	$32mn	$17.8mn
5. Tier by project size: for res >100 units and non-res >100k sq ft							
a. Fee increase = $1	$7.74 - $8.84	$18.04 - $19.04	$1.2bn	$497mn	$42mn	$16mn	$2.6mn
b. Fee increase = $3	$7.74 - $10.84	$18.04 - $21.04	$1.4bn	$652mn	$47mn	$22mn	**$7.7mn**
c. Fee increase = $5	$7.74 - $12.84	$18.04 - $23.04	$1.6bn	$807mn	$52mn	$27mn	$12.9mn
d. Fee increase = 33% of nexus	$7.74 - $10.21	$18.04 - $28.85	$1.6bn	$884mn	$54mn	$29mn	$15.5mn
6. Tier by project height / construction type							
a. Below 55' (base); 55'-85' (+$1); 85' and up (+$2)	$7.74 - $10.74	$18.04 - $20.04	$1.3bn	$535mn	$43mn	$18mn	$3.8mn
b. Below 55' (base); 55'-85' (+$3); 85' and up (+$5)	$7.74 - $12.84	$18.04 - $23.04	$1.5bn	$722mn	$51mn	$24mn	$10.1mn
7. Three tiers by project size (UPDATED 10/2/15) Residential: 21-50 units ($7.74), 51-99 units ($8.98), 100+ units ($10.21) Non-res: <40k GSF ($21.86), 40-100k GSF ($25.36), >100,000 GSF ($28.85)	$7.74 - $10.21	$21.86 - $28.85	$1.7bn	$948mn	$57mn	$32mn	$17.6mn

Projected TSF Revenues: Alternative Fee Scenarios: Detailed (UPDATED 10/2/15)

Fee Scenario	TSF rates ($/GSF)	Projected revenue: 30-year total		Projected revenue: Annual		Net increase above proposed (annual)
		Total revenue	*Net new revenue*	*Total revenue*	*Net new revenue*	
1. Proposed rates		$1.2bn	$420mn	$39mn	$14mn	–
Residential	$7.74	*$391,457,000*	*$359,357,000*	*$13,049,000*	*$11,979,000*	–
Non-residential	$18.04	*$740,524,000*	*$59,839,000*	*$24,684,000*	*$1,994,000*	–
2. Increase rates by $1		$1.3bn	$511mn	$42mn	$17mn	$3.1mn
Residential	$8.84	*$445,370,000*	*$413,270,000*	*$14,846,000*	*$13,776,000*	*$1,797,000*
Non-residential	$19.04	*$778,547,000*	*$97,709,000*	*$25,952,000*	*$3,257,000*	*$1,263,000*
3. Commission recommendation: Eliminate area plan credit		$1.2bn	$453mn	$40mn	$15mn	$1.0mn
Residential	$7.74	*$402,191,000*	*$370,091,000*	*$13,406,000*	*$12,336,000*	*$357,000*
Non-residential	$18.04	*$760,829,000*	*$81,205,000*	*$25,361,000*	*$2,707,000*	*$713,000*
4. Commission recommendation: 33% of Nexus		$1.7bn	$954mn	$57mn	$32mn	$17.8mn
Residential	$10.21	*$504,749,000*	*$472,649,000*	*$16,825,000*	*$15,755,000*	*$3,776,000*
Non-residential	$28.85	*$1,157,441,000*	*$480,854,000*	*$38,581,000*	*$16,028,000*	*$14,034,000*
5. Tier by project size: for res >100 units and non-res >100k sq ft						
a. Fee increase = $1		$1.2bn	$497mn	$42mn	$16mn	$2.6mn
Residential	$7.74 - $8.84	*$432,985,000*	*$400,885,000*	*$14,433,000*	*$13,363,000*	*$1,384,000*
Non-residential	$18.04 - $19.04	*$776,764,000*	*$95,950,000*	*$25,892,000*	*$3,198,000*	*$1,204,000*
b. Fee increase = $3		$1.4bn	$652mn	$47mn	$22mn	$7.7mn
Residential	$7.74 - $10.84	*$515,462,000*	*$483,362,000*	*$17,182,000*	*$16,112,000*	*$4,133,000*
Non-residential	$18.04 - $21.04	*$849,305,000*	*$168,252,000*	*$28,310,000*	*$5,608,000*	*$3,614,000*
c. Fee increase = $5		$1.6bn	$807mn	$52mn	$27mn	$12.9mn
Residential	$7.74 - $12.84	*$572,470,000*	*$540,370,000*	*$19,082,000*	*$18,012,000*	*$6,033,000*
Non-residential	$18.04 - $23.04	*$943,235,000*	*$266,423,000*	*$31,441,000*	*$8,881,000*	*$6,887,000*
d. Fee increase = 33% of nexus		$1.6bn	$884mn	$54mn	$29mn	$15.5mn
Residential	$7.74 - $10.21	*$486,905,000*	*$454,805,000*	*$16,230,000*	*$15,160,000*	*$3,181,000*
Non-residential	$18.04 - $28.85	*$1,110,675,000*	*$429,143,000*	*$37,023,000*	*$14,305,000*	*$12,311,000*
6. Tier by project height / construction type						
a. Below 55' (base); 55'-85' (+$1); 85' and up (+$2)		$1.3bn	$535mn	$43mn	$18mn	$3.8mn
Residential	$7.74 - $10.74	*$450,296,000*	*$418,196,000*	*$15,010,000*	*$13,940,000*	*$1,961,000*
Non-residential	$18.04 - $20.04	*$797,863,000*	*$116,973,000*	*$26,595,000*	*$3,899,000*	*$1,905,000*
b. Below 55' (base); 55'-85' (+$3); 85' and up (+$5)		$1.5bn	$722mn	$51mn	$24mn	$10.1mn
Residential	$7.74 - $12.84	*$546,704,000*	*$514,604,000*	*$18,223,000*	*$17,153,000*	*$5,174,000*
Non-residential	$18.04 - $23.04	*$888,236,000*	*$207,095,000*	*$29,608,000*	*$6,904,000*	*$4,910,000*
7. Three tiers by project size (UPDATED 10/2/15)						
a. Residential: 21-50 units ($7.74); 51-99 units ($8.98); 100+ units ($10.21) Non-res: <40k GSF ($21.86); 40-100k GSF ($25.36); >100,000 GSF ($28.85)		$1.7bn	$948mn	$57mn	$32mn	$17.6mn
Residential	$7.74 - $10.74	*$471,381,000*	*$439,281,000*	*$15,713,000*	*$14,643,000*	*$2,664,000*
Non-residential	$18.04 - $20.04	*$1,187,980,000*	*$508,225,000*	*$39,599,000*	*$16,941,000*	*$14,947,000*

Appendix: Updates to TSF Feasibility Analysis to Evaluate Recommendations of the Planning Commission & Board of Supervisors (Updated 10/2/2015) |

PROJECT SIZE:

Residential Project Size in Current Pipeline (2015 Q2)

Project size	Total GSF	% of total residential development
Projects < 100 units	4,170,000	15%
Projects > 100 units	23,628,000	85%
TOTAL	**27,798,000**	**100.00%**

Nonresidential Project Size in Current Pipeline (2015 Q2)

Project size	Total GSF	% of total non-residential development
Projects < 100k	2,571,000	11%
Projects > 100k	20,428,00	89%
TOTAL	**22,999,000**	**100.00%**

PROJECT HEIGHT / CONSTRUCTION TYPE:

Residential Pipeline by Height/Construction Type (2015 Q2)

Height limit	# of Projects	Total GSF	% of total	Total units	Average # units	Smallest project (units)	Largest project (units)
up to 55'	35	6,253,000	22%	6,253	179	21	450
55'-85'	69	10,267,000	37%	10,267	149	24	560
Above 85'	51	11,278,000	41%	11,278	221	26	688
TOTAL	**155**	**27,798,000**	**100.0%**	**27,798**			

Non-Residential Pipeline by Height/Construction Type (2015 Q2)

Height limit	# of Projects	Total GSF	% of total	Average GSF	Smallest project (GSF)	Largest project (GSF)
up to 55'	83	2,550,000	12%	31,000	475	72,856
55'-85'	81	7,240,000	33%	89,000	415	700,456
Above 85'	81	12,306,000	56%	152,000	210	1,970,000
TOTAL	**245**	**22,096,000**	**100.0%**			

Table 1. Residential Projects Under Review: Filed after 7/21/15

Address	Proposed Use			Estimated TSF (see note)		Net additional fee
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed — Res: 50% rate Non-res: TIDF	Supervisor proposal: No Grandfathering for projects after 7/21/15	
636-648 Fourth St.	427	493,612	3,165	$1,746,360	$3,877,653	$2,131,294
75 Arkansas Street	50	56,882	8,179	$195,860	$587,816	$391,956
603 Tennessee St.	24	27,744	0	$107,369	$214,739	$107,369
400 Divisadero St.	130	148,000	8,000	$616,530	$1,289,840	$673,310
3620 Cesar Chavez	28	24,600	0	$36,842	$190,404	$153,562
719 Larkin	42	48,552	1,500	$209,781	$402,852	$193,071
830 Eddy St.	120	138,720	0	$536,846	$1,073,693	$536,846
793 South Van Ness	54	62,424	4,867	$312,590	$570,962	$258,372
950 Tennessee St.	129	87,777	0	$70,406	$679,394	$608,988
2918-2924 Mission St.	38	36,600	7,400	$211,674	$416,780	$205,106
			TOTAL	$4,044,259	$9,304,134	$5,259,875

Table 2. Residential Projects Under Review: Filed 7/1/14-7/21/15 (Commission Recommendation: 75% of TSF rate)

Address	Proposed Use			Estimated TSF (see note)		Net additional fee
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed — Res: 50% TSF Non-res: TIDF	Commission recommendation: Tiered grandfathering — Res: 75% TSF Non-res: TIDF	
PIER 70	1,100	1,271,600	2,492,050	$7,413,142	$9,873,688	$2,460,546
2070 BRYANT ST	271	313,276	0	$512,869	$1,119,059	$606,189
1601 MISSION ST	220	254,320	9,900	$930,208	$1,422,317	$492,109
975 Bryant Street	195	225,420	0	$404,742	$840,930	$436,188
390 - 01ST ST	170	196,520	0	$772,394	$1,152,660	$380,266
1515 SOUTH VAN NESS AVENUE	160	184,960	1,024	$259,677	$617,574	$357,898
88 ARKANSAS ST	146	168,776	3,275	$367,867	$694,449	$326,582
429 Beale Street and 430 Main Street	140	161,840	0	$891,897	$1,205,057	$313,160
555 Howard St	127	146,812	0	$209,072	$493,153	$284,081
2675 FOLSOM ST	117	135,252	0	$688,373	$950,086	$261,713
1145 Polk Street	54	62,424	0	$0	$61,087	$61,087
2444 LOMBARD ST	53	61,268	2,000	$101,777	$220,330	$118,554
555 GOLDEN GATE AV	52	60,112	1,000	$2,753	$119,070	$116,317
3314 CESAR CHAVEZ ST	50	57,800	0	$36,096	$147,939	$111,843
272 SUTTER ST	45	52,020	16,000	$112,700	$213,359	$100,659
230 07TH ST	44	50,864	415	$303,414	$401,836	$98,422
2238 - 2254 MARKET ST	41	47,396	5,573	$135,489	$227,200	$91,711
875 CALIFORNIA ST / 770 POWELL ST	41	47,396	0	$323,387	$415,098	$91,711
915 - 935 Minna Street	37	42,772	0	$165,528	$248,291	$82,764
1726 - 1730 Mission Street	36	41,616	0	$222,226	$302,753	$80,527
469 EDDY ST	34	39,304	2,600	$154,706	$230,760	$76,053
240 PACIFIC AV	31	35,836	2,018	$122,045	$191,388	$69,343
475 MINNA ST	30	34,680	0	$134,212	$201,317	$67,106
241 10TH ST	28	32,368	18,130	$0	$58,999	$58,999
198 VALENCIA ST	28	32,368	0	$94,961	$157,593	$62,632
3140 16TH ST	28	32,368	6,715	$131,979	$194,611	$62,632
1598 BAY ST	28	32,368	0	$128,547	$191,179	$62,632
2140 - 2144 Market Street	27	31,212	1,150	$19,487	$79,883	$60,395
OCTAVIA BLVD PARCEL T (Central Freeway)	26	30,056	0	$116,317	$174,475	$58,158
300 Octavia Street	24	27,744	1,606	$108,975	$162,660	$53,685
3355 GEARY BL	23	26,588	0	$48,264	$99,711	$51,448
2670 Geary Boulevard	21	24,276	0	$37,974	$84,948	$46,974
			TOTAL	$14,951,079	$22,553,462	$7,602,383

NOTES:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.

Table 3. Residential Projects Under Review: Filed before 7/1/14 (Commission Recommendation: 50% of TSF rate)

Address	Proposed Use			Estimated TSF (see note)
	Net units	Residential GSF	Non-residential GSF (net)	Grandfathering as proposed Res: 50% TSF Non-res: TIDF
PIER 48	1500	1734000	1950000	$34,849,080
150 VAN NESS AVE	429	495924	-127558	$78,564
1979 MISSION ST	351	405756	0	$1,570,276
800 INDIANA STREET	340	393040	0	$937,394
950 MARKET ST	305	352580	169834	$3,815,189
1066 MARKET ST	304	351424	-526	$1,352,421
50 01ST ST	292	337552	1704000	$25,895,046
1301 16TH STREET	276	319056	0	$946,791
1634-1690 PINE ST	260	300560	6666	$1,259,358
1395 22nd St	251	290156	0	$1,122,904
1800 MISSION ST	207	239292	0	$0
1200 17TH STREET	200	231200	171013	$2,579,162
75 HOWARD ST	186	215016	17900	$1,090,409
1028 MARKET ST	186	215016	9675	$971,722
1540 MARKET ST	180	208080	-13252	$614,043
2070 BRYANT ST	177	204612	0	$418,848
1125 MARKET ST	164	189584	3005	$777,052
950 MASON STREET	160	184960	-295000	$0
1140 FOLSOM STREET	128	147968	-9081	$441,597
1298 HOWARD STREET	121	139876	10050	$686,342
2171 THIRD ST	109	126004	3143	$356,530
1550 MARKET ST	109	126004	-16928	$243,364
1075 MARKET ST	90	104040	-15500	$178,970
750 HARRISON ST	77	89012	2826	$345,539
1335 FOLSOM ST	65	75140	0	$248,270
777 TENNESSEE STREET	59	68204	0	$148,319
807 FRANKLIN ST	50	57800	0	$223,686
651 GEARY ST	46	53176	-8010	$90,207
1174 FOLSOM ST	42	48552	7901	$318,170
901 TENNESSEE STREET	39	45084	0	$107,335
2230 3RD STREET	37	42772	-3201	$119,337
495 CAMBRIDGE ST	32	36992	0	$143,159
22 FRANKLIN ST	28	32368	4323	$187,645
233-237 SHIPLEY ST	22	25432	0	$84,434
			TOTAL	$82,201,164

NOTES:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.

Chen, Lisa (CPC)

From: Chen, Lisa (CPC)
Sent: Friday, October 02, 2015 3:03 PM
To: 'Malia.Cohen@sfgov1.onmicrosoft.com'; 'Jane.Kim@sfgov1.onmicrosoft.com'; 'Scott.Wiener@sfgov1.onmicrosoft.com'; Avalos, John (BOS); Christensen, Julie (BOS); Power, Andres; 'Mawuli.Tugbenyoh@sfgov1.onmicrosoft.com'; 'Jeremy.Pollock@sfgov1.onmicrosoft.com'; Yadegar, Danny (BOS); Burns, Kanishka (BOS); 'Nicole.Wheaton@sfgov1.onmicrosoft.com'
Cc: 'Andrea Ruiz-Esquide'
Subject: TSF - Additional information on area plan credits (
Attachments: TSF residential area plan fee credit examples_10 02 15.pdf

Dear Supervisors, legislative aides, and Nicole,

The Planning Department and SFMTA have received an additional request for more information on the area plan credit as currently proposed in the TSF. In response, please find attached a document that outlines what the credit would be in each area plan, as well as example calculations for a few projects currently in the pipeline.

Thank you.

Best,

Lisa Chen
Planner, Citywide Planning Division

Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Phone: 415-575-9124 **Fax:** 415-558-6409
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From: Chen, Lisa (CPC)
Sent: Friday, October 02, 2015 10:49 AM
To: 'Malia.Cohen@sfgov1.onmicrosoft.com'; 'Jane.Kim@sfgov1.onmicrosoft.com'; 'Scott.Wiener@sfgov1.onmicrosoft.com'; Avalos, John (BOS); Power, Andres; 'Mawuli.Tugbenyoh@sfgov1.onmicrosoft.com'; 'Jeremy.Pollock@sfgov1.onmicrosoft.com'; Yadegar, Danny (BOS); 'Nicole.Wheaton@sfgov1.onmicrosoft.com'
Cc: Teague, Corey (CPC); Wise, Viktoriya (MTA); 'Andrea Ruiz-Esquide'
Subject: TSF - Responses to Land Use Committee Questions (

Dear Supervisors, legislative aides, and Nicole,

As a follow up to the materials transmitted yesterday, Planning Department and SFMTA staff have prepared additional information in response to questions raised at Monday's Land Use Committee hearing on the Transportation Sustainability Fee (TSF). Please see the revised documents attached, which include:

- An updated response to questions, with added information on the potential impact of tiered Non-residential grandfathering rates. (page 3)
- An updated appendix, with added information on the projected TSF revenues for an additional 3-tier fee structure. (pages 4-5)
- A list of residential projects in the pipeline that fall under the grandfathering triggers.

Please let me know if you have any questions. Thank you.

Regards,

Lisa Chen
Planner, Citywide Planning Division

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From: Andrea Ruiz-Esquide [mailto:Andrea.Ruiz-Esquide@sfgov.org]
Sent: Thursday, October 01, 2015 10:17 AM
To: Chen, Lisa (CPC); Teague, Corey (CPC); Wise, Viktoriya (MTA)
Subject: Fw: TSF - Responses to Land Use Committee Questions

FYI

Andrea Ruiz-Esquide
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----- Forwarded by Andrea Ruiz-Esquide/CTYATT on 10/01/2015 10:16 AM -----

From: Andrea Ruiz-Esquide/CTYATT
To: Malia.Cohen@sfgov1.onmicrosoft.com, Jane.Kim@sfgov1.onmicrosoft.com, Scott.Wiener@sfgov1.onmicrosoft.com, Mawuli.Tugbenyoh@sfgov1.onmicrosoft.com, Jeremy.Pollock@sfgov1.onmicrosoft.com, Danny.Yadegar@sfgov.org, Nicole.Wheaton@sfgov1.onmicrosoft.com,
Cc: Sonali.Bose@sfmta.com
Date: 10/01/2015 10:16 AM
Subject: TSF - Responses to Land Use Committee Questions

Dear Supervisors, legislative aides, and Nicole,

Planning Department and SFMTA staff have prepared answers to the questions you posed during last Monday's Land Use Committee hearing on the Transportation Sustainability Fee (TSF). Please see the documents attached.

We are still working to provide you some information on other questions you have posed, specifically:

- additional information on grandfathering;
- list of projects that fall under the grandfathering triggers;
- list of projects that would be subject to the TSF triggers if the initial date was moved to date of introduction;
- different iteration of fee projections.

Supplemental materials with answers to these questions will be sent to you this afternoon.

Please let me know if you have any questions.

Andrea

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Proposed Transportation Sustainability Fee (TSF)

TSF Residential Fee Options in Area Plans | Updated 10/2/2015

Residential Transportation & Complete Streets Fees under Proposed TSF - Summary

Plan area	What projects pay today ($/GSF)	What projects would pay under TSF Ordinance as proposed ($/GSF)	What projects would pay under TSF with Commission recommendations ($/GSF)
Outside area plans	No transportation fees	TSF	TSF
Inside area plans	Area plan fees (transit/complete streets components)	Area plan fees (transit/complete streets) Less: TSF fee reduction + TSF	Area plan fees (transit/complete streets) + TSF

Residential Transportation & Complete Streets Fees under Proposed TSF - Rates

Plan area	What projects pay today ($/GSF)	Area plan credit under TSF Ordinance as proposed ($/GSF)	What projects would pay under TSF Ordinance as proposed ($/GSF)	What projects would pay under Commission recommendation to remove area plan credit ($/GSF)
Outside Area Plans	$0.00	$0.00	$7.74	$7.74
Eastern Neighborhoods				
Tier 1	$3.98	$0.97	$10.75	$11.72
Tier 2	$5.97	$1.46	$12.25	$13.71
Tier 3	$7.96	$1.94	$13.76	$15.70
Balboa Park	$4.86	$1.17	$11.43	$12.60
Market & Octavia	$7.21	$2.40	$12.54	$14.95
Van Ness & Market SUD[1]	$12.01	$4.00	$15.75	$19.75
Visitacion Valley Plan Area	$2.50	$0.00	$10.24	$10.24
Rincon Hill Plan Area	$8.25	$0.00	$15.99	$15.99
Transit Center District Plan[2]				
Tier 1 (FAR below 1:9)	$4.39	$0.00	$12.13	$12.13
Tier 2 (FAR 1:9 to 1:18)	$10.97	$0.00	$18.71	$18.71
Tier 3 (FAR above 1:18)	$14.26	$0.00	$22.00	$22.00

Notes:

1. Van Ness & Market SUD projects pay same rate as Market & Octavia for building FAR < 9:1, and the Van Ness & Market fee for FAR > 9:1.
2. Transit Center is not eligible for a fee credit as the Transit Center Transportation & Street Improvement Fee was established to deliver projects associated with areas developed to such a high degree of density. A portion of the fee is also designated as a CEQA mitigation measure (the Transit Delay Mitigation Fee).

Proposed Transportation Sustainability Fee (TSF)

TSF Residential Fee Options in Area Plans | Updated 10/2/2015

Summary of Current Residential Area Plan Fees

Plan area	Area plan rates ($/GSF)	Area plan transit component ($/GSF)	Area plan complete streets component ($/GSF)
Eastern Neighborhoods			
Tier 1	$9.71	$0.97	$3.01
Tier 2	$14.56	$1.46	$4.51
Tier 3	$19.42	$1.94	$6.02
Balboa Park	$9.71	$1.17	$3.69
Market & Octavia	$10.92	$2.40	$4.80
Van Ness & Market SUD	$18.20	$4.00	$8.01
Visitacion Valley Plan Area	$5.56	$0.00	$2.50
Rincon Hill Plan Area	$10.44	$0.00	$8.25
Transit Center District Plan[1]			
Tier 1 (FAR below 1:9)	$4.39	$4.39[1]	$0.00
Tier 2 (FAR 1:9 to 1:18)	$10.97	$10.97[1]	$0.00
Tier 3 (FAR above 1:18)	$14.26	$14.26[1]	$0.00

Notes:

1. The Transit Center Transportation & Street Improvement Fee does not specify a percent allocation to transit & complete streets components, so the full amount of the fee is shown here as allocated to transit for illustrative purposes only.

Sample Calculation: Area Plan Fee Reduction in Market & Octavia Area Plan (in Ordinance as Proposed)

FEE	FEE PER GROSS SQ. FT. OF NEW DEVELOPMENT
TSF (as proposed)	$ 7.74
MARKET AND OCTAVIA IMPACT FEE	+ $ 10.92
TOTAL	$18.66
TRANSIT PORTION OF MARKET AND OCTAVIA FEE (22%)	- $ 2.40
NET TOTAL	$ 16.26

Sample TSF Residential Calculations: Area Plan Fee Credit

					Fee rates			Projected fees for project			
Proposed project	Units	Residential GSF	Area Plan	% of area plan fee allocated to transit	Proposed TSF rate ($/GSF)	Area Plan fee rate ($/GSF)	PROPOSED AREA PLAN FEE CREDIT ($/GSF)	TSF ($)	Area plan fee (in full) ($)	Less: Proposed Area Plan Fee Credit ($)	TOTAL, TSF + Area Plan Fees
1601 Mission Street	200	229,705	Market & Octavia	22%	$7.74	$10.92	-$2.40	$1,777,917	$2,508,379	-$551,843	**$3,734,452**
1301 16th Street	234	270,504	Eastern Neighborhoods Tier 1	10%	$7.74	$9.71	-$0.97	$2,093,701	$2,626,594	-$262,659	**$4,457,635**
1140 Folsom	128	147,968	Eastern Neighborhoods Tier 2	10%	$7.74	$14.56	-$1.46	$1,145,272	$2,154,414	-$215,441	**$3,084,245**
3620 Cesar Chavez	28	24,600	Eastern Neighborhoods Tier 2	10%	$7.74	$14.56	-$1.46	$190,404	$358,176	-$35,818	**$512,762**

Notes:

1. TSF values are preliminary estimates based on project descriptions in the development pipeline at time of application filing, and may not reflect the most current project proposal on file.
2. TSF calculations above are for illustrative purposes only, to explain the residential Area Plan Fee Credit as proposed. They do not consider a credit for prior uses on site, nor take into consideration the proposed grandfathering fee rates as proposed in the ordinance.

FROM:
Mary Miles, Attorney at Law (SB #230395)
364 Page St., #36
San Francisco, CA 94102
(415) 863-2310

TO:
Chair Malia Cohen, Jane Kim, Scott Wiener, Members, and Andrea Ausberry, Clerk of the San Francisco Board of Supervisors Land Use and Transportation Committee ("LUC")
Legislative Chamber, Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DATE: September 28, 2015

RE: Public Comment: LUC Meeting of September 28, 2015, Agenda Item 2 [File No. 150790 Establishing a New Citywide Transportation Sustainability Fee ("TSF")]

This letter is public comment opposing adoption of the proposed ordinance legislating a "Transportation Sustainability Fee" ("the Project"). Please distribute this letter to Members of the Land Use and Transportation Committee and place a copy in all applicable files on the Project. The proposed ordinance should be rejected for the following reasons, along with those described in my previous comments.

1. The TSF Is a Project Under CEQA and NEPA.

The proposed legislation incorrectly concludes that the TSF is not a "project" under the California Environmental Quality Act (CEQA, Pub. Res. Code ["PRC"] §21000 *et seq.*; 14 Cal. Code Regs. ["Guidelines"] §15378(b)(4) ["The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment"].)

The proposed TSF does not fall within an exception in Guidelines §15378(b)(4), because it is targeted toward specific projects and categories of projects in San Francisco ("City"), and proposes using funding for selected neighborhood projects and grandfathering other specific projects already approved. In fact, the proposed TSF is a project under Guidelines §15378(a), since it proposes to partially "mitigate" the admitted transportation impacts of City's deregulated overdevelopment. (*Ibid.*; *California Native Plant Society v. County of El Dorado ["CNPS"]* (2009) 170 Cal.App.4th 1026, 1030, 1049 [fee mitigation program must "pass CEQA muster"]; and 1055 ["must be tied to a functioning mitigation program"]; *Center for Sierra Nevada Conservation v. County of El Dorado* (2012) 202 Cal.App.4th 1156, 1180 [fee program must be reviewed under CEQA].)

The Project clearly has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is an activity directly undertaken by a public agency, since it proposes physical changes to City streets that will increase traffic congestion, lessen roadway capacity. The Project will clearly have significant impacts on traffic, transit, parking, air quality, and land use by collecting a

"mitigation fee" from developers to fund projects that increase traffic congestion and eliminate parking. Since the proposed fee does not mitigate the transportation and other impacts of unregulated development throughout the City, it violates both CEQA and the National Environmental Policy Act ("NEPA"). (*Ibid.*, and, *e.g., City of San Diego v. Board of Trustees of the California State University ["City of San Diego"]* (2015) 61 Cal.4th 945.)

2. The Project Violates the Requirements of *Nollan/Dolan and Ehrlich.*

The Project also violates the nexus and rough proportionality requirements of the California and United States Constitutions set out in *Nollan v. California Coastal Commission* (1987) *["Nollan"]* 483 U.S. 825; *Dolan v. City of Tigard ["Dolan"]* (1994) 512 U.S. 374; and *Ehrlich v. City of Culver City ["Ehrlich"]*(1996) 12 Cal.4th 854.)

The Project proposes imposing a selective development fee generating $1.2 billion over 30 years, including $430 million in "net new revenue," plus "an additional $14 million a year in revenue." (9/10/15 "Planning Commission Executive Summary," p. 11.) The Project is not applied with an even hand to all developments, since it exempts some projects, requires additional fees from developments within areas with "community plans," and proposes spending the fees collected in different proportions in various areas. (Proposed Ordinance §§411.4, 411A.3, 411A.5, 411A.64, 411A.6B, 411A.7; "San Francisco Transportation Sustainability Fee (TSF) Nexus Study," May 2015 ["Nexus Study"], p. 12-13.)

The $1.2 billion development fee imposed on residential projects and other developments citywide would be spent on "transit," including the Geary Boulevard Bus Rapid Transit ("BRT") project and other BRT projects , and the "Complete Streets (Bicycle and Pedestrian Improvements)" of the Municipal Transportation Agency ("MTA") (Nexus Study, p.32-35, 57, 60-66), an open-ended menu of selected anti-car projects designed to eliminate traffic lanes and parking, and create physical obstructions to vehicle travel on City streets. (*Id.*)

Here, *not a penny* of the spending of the TSF millions is proposed to mitigate the real impacts of City's deregulated overdevelopment. Instead, City proposes another windfall to the MTA for more of the same projects that do nothing to mitigate the obvious transportation impacts of growth and development on City streets and the air quality, GHG, and noise impacts of increased congestion.

The Project also unlawfully eliminates *accounting* requirements for the additional developer fees in areas with "community plans" such as City's "Market-Octavia Plan" project, which includes the "Van Ness Downtown Residential SUD." It does not do away with the development fees legislated with those projects but adds the TSF as an additional fee. (Ordinance, §§411A.3, 421.7,422 - 424.1; see, *e.g., CNPS, supra,* 170 Cal.App.4th at p.1050; Gov. Code §66006. City would thus require *no accounting* of developer fees collected for the deregulated, uncontrolled development of the Market-Octavia Plan area, even though that project has led to 24-hour congestion and peak hour gridlock on Octavia Boulevard, freeway ingress and egress, and many neighborhood streets. The Market-Octavia development "mitigation" fee did nothing to mitigate the transportation impacts from the Market-Octavia Plan, and none of the required annual or five-year reports has shed light on money collected or spent from that fee.

3. The Transportation Sustainability Program ("TSP") of which the TSF Is Part, Proposes *Eliminating* Analysis and Mitigation of Transportation Impacts

The TSF Project is part of the greater Transportation Sustainability Program ("TSP"), which proposes *eliminating* the critical need to analyze and *mitigate* the significant

transportation, air quality, noise, land use, and other impacts from unregulated development under CEQA. Thus the TSF's claimed purpose of collecting fees to *mitigate* transportation impacts is a sham and contradicts City's purported goal of such mitigation, since it actually plans on exempting itself from mitigating the transportation impacts of City's runaway growth and development.

According to the September 10, 2015 Planning Commission "Executive Summary" ("ES") and the "Transportation Sustainability Fee: Economic Feasibility Study, Spring 2015" ("EFS"), the TSP proposes replacing the Level of Service (LOS) analysis of transportation impacts with a Vehicle Miles Traveled ("VMT") methodology. That action would effectively exempt San Francisco from *all* analysis and mitigation of transportation impacts, since VMT on projects in San Francisco would be less than a "regional average" arbitrarily set as the standard for a significant transportation impact under the proposed VMT methodology. (EFS, pp.19-20) [1]

By eliminating analysis and mitigation of transportation impacts of *all* development in the City, the TSP would also unlawfully insulate City from analyzing the cumulative transportation impacts of development projects that generate commuter and other traffic to and from areas outside the City. Since the larger TSP involves the proposed elimination of effective standards for measuring transportation impacts, it violates CEQA and NEPA. (See also, this commenter's September 10, 2015 Public Comment to the Planning Commission, which is missing from the packet transmitted to this Committee.)

The proposed changes to the CEQA Guidelines have not yet been approved at the state level, and the TSF thus proceeds based on unsupported speculation that the CEQA Guidelines may someday authorize the TSP and its proposed exemption of all projects from CEQA. The City does not have authority to change CEQA's requirements. Further, City may not retroactively apply amendments of the CEQA Guidelines to residential development projects with development or environmental review applications filed before the effective date of the ordinance (*e.g.*, proposed Ordinance §411A.3(d -f)), or to any other project not previously authorized by a state amendment to the CEQA Guidelines. (Guidelines, §15007 ["Amendments to the guidelines apply prospectively only."].)

By segregating the TSF from other features of the TSP, especially the VMT strategy, City hopes to escape the requirements of *Nollan, Dolan, Ehrlich*, CEQA, and NEPA, but it cannot:

---

[1] In the larger TSP, City proposes to substitute a VMT methodology for the standard Level of Service ("LOS") methodology for measuring traffic impacts of private development and its own projects. Even if such authority existed, analyzing only a project's VMT would result in a piecemealed and evasive analysis that completely ignores a project's cumulative transportation impacts when combined with other projects. Public transportation projects would also be improperly exempted from environmental review, since they would not generate any VMT, regardless of how much congestion they cause, including "road diets," traffic lane and parking elimination, "bicycle improvements," "pedestrian improvements," BRT's, and other public projects with significant impacts on traffic, transit, parking, air quality, and noise. Not coincidentally, the TSF proposes to fund such projects without CEQA review, even though they are already lavishly funded. While San Francisco proposes to abnegate its greater regional responsibility by ignoring cumulative impacts, it may not lawfully do so under CEQA and NEPA. Further, CEQA's statutory revision at PRC §21099 *on which City relies* does not excuse City from accurately analyzing transportation impacts and indeed reinforces CEQA's requirements to analyze and mitigate transportation impacts, including the impacts of congestion on air quality, noise, safety, "or any other impact associated with transportation." City's scheme thus plainly fails to comply with CEQA's provision that it claims supports its strategy. (See also, *e.g.*, Cal. Gov. Code §11342.2.)

The proposed legislation before you is not reasonably related to the actual transportation impacts or mitigation of transportation impacts from development and does not comply with the requirements of *Nollan, Dolan*, and *Ehrlich.*

4. The MTA's TDM Program Excludes the Vast Majority of Travelers Who Travel by Car

Public agencies have a duty under both CEQA and NEPA to avoid or minimize environmental damage, not cause more of it. (*e.g.,* Guidelines, §15021.)

Here, "[f]ee revenues would be collected by the Planning Department and then routed to the SFMTA to be allocated through an interagency process that will be outlined in a Memorandum of Understanding, currently being developed." (9/10/15 Planning Commission ES, p.12.) The proposed "key" expenditures are described as "Transit capital and operational investments (Central Subway, Muni Forward, Bus Rapid Transit Projects, etc.)"; "Bicycle infrastructure (protected lanes, parking, etc.)"; and "Pedestrian safety (Vision Zero, Walk First, etc.)." (*Id.*, p.2.)

Under the proposal adopted by the MTA Board on September 1, 2015, the TSF, which is suddenly shifted to the "Transportation Demand Management" ["TDM"] Program, proposes allowing developers to choose from a menu of "TDM options" when "designing their projects." (9/1/15 MTA Board Packet, p.5.) Someone not identified would then quantify the "efficacy or effectiveness of some these [sic] options at different locations in San Francisco." (*Id.*) Someone also not identified would then determine "that developers are implementing the measure they committed to and the program is effective." (*Id.*)

The "menu options" would include such ineffective measures as "Subsidize Transit Passes," "Subsidize Bike Share or Car Share Membership," "Hire TDM Coordinator," "Shuttle or Vanpool Service," Reduce On-site Parking Supply," "Provide Delivery Service," "Sponsor Bike-share Stations," "Commute Reduction Programs," and "Charge for Parking/Parking Pricing." (9/1/15 MTA Board Packet, p.5.) The 9/1/15 MTA Board packet admits that the city is still "working on the technical details of the program, including quantifying the efficacy of some of the above-listed measures." (*Id.*)

The TSF should not be approved without quantifying the efficacy of all of the proposed measures, and without those "technical details" about that "efficacy" of all of the proposed "measures," since such approval would violate both CEQA and NEPA. City may not use alleged mitigation measures to exempt itself from CEQA. Moreover, the measures described for mitigating significant impacts must be effective and enforceable, with those features supported by substantial evidence.

Further, City may not selectively allocate public funding for bicycle and other projects that benefit only a small percentage of travelers using existing infrastructure, since such funding would not satisfy CEQA, NEPA, or the California and United States Constitutions. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.)

5. The TSF May Not Selectively Use Developer Fee Revenue, or Ignore Mitigating Transportation Impacts on the Vast Majority of City Travelers and Infrastructure Users

CEQA limits any agency applying fees to the nexus and rough proportionality requirements of the California and United States Constitutions. (Guidelines §15041; *Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.) The TSF clearly does not comply with these requirements, since City's proposed fees do not meet the nexus and rough proportionality requirements that apply to any developer fee imposed to

mitigate the impacts of development, including those purportedly to remedy transportation impacts caused by development in the City. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th at pp. 865, 874-885, 899-901, 907, 912; *San Remo Hotel v. City and County of San Francisco* (2002) 27 Cal.4th 643, 671; *Koontz v. St. Johns River Water Mgmt. Dist.* (2013) 133 S.Ct. 2586; *California Building Industry Assn. v. City of San Jose* (2015) 61 Cal.4th 435, 458 [under *Koontz,* the *Nollan-Dolan* test applies not only when the government conditions approval of a land use permit on the property owner's dedication of a portion of the property for public use but also when it conditions approval of such a permit on the owner's payment of money.].)

The proposed uses of the TSF fees are not rationally related to the transportation impacts from development, and they are disproportionate to those impacts. For example, no mitigation is proposed for impacts on traffic for those who use the mode of travel chosen by the vast majority of City commuters, residents, and travelers, the automobile. Instead, the TSF Project proposes using its fees to degrade traffic and vehicle travel or to force people to not travel by car. The fees also bear no rational relation to mitigating air quality impacts, since they instead propose *increasing* congestion, thus also degrading air quality and increasing GHG impacts. There is no evidence of any impacts on bicycling from development; yet millions are proposed to "mitigate" such nonexistent impacts. (*Home Builders Assn. of Tulare/Kings Counties, Inc. v. City of Lemoore* (2010) 185 Cal.App.4th 554, 572 [invalidating fees imposed as not reasonably related to impacts of development.)

6. No Evidence Supports More Funding for MTA's Irresponsible and Unaccountable Performance

The MTA has never met the transit performance measures legislated in the Proposition A (November, 1999) Charter Amendment as a condition of giving that agency complete control of transportation in San Francisco. In spite of the billions it has recently received in bonds and other funding, the MTA cannot live up to its own standards for transit, much less accommodate the needs of another 100,000 or more new residents invited to reside and commute to and from San Francisco by City's unregulated development. Indeed, the MTA recently announced that it needed another $123 *billion* just to keep buses running. The TSF contains *no* mention of repairing or improving the City's third-world pitted streets for the more than two million daily drivers. Again, *not a penny* of the TSF before you is proposed to improve conditions or mitigate impacts of increased traffic from development on the vast majority of travelers. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.)

City's unsupported fantasy that pouring more money into the MTA trough for bicycle and pedestrian "improvements" that hinder and obstruct motorized traffic will motivate people to abandon cars has proven futile for the entire 44 years of City's "Transit First" rhetoric. According to City's own data and the United States census, the vast majority of travelers still use automobiles as their preferred mode of travel in San Francisco and the greater Bay Area and will continue to do so. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich,* 12 Cal.4th 854.)

The City's deregulation of residential development is transforming San Francisco into an overcrowded bedroom community for tech industries with those employees often commuting 50 miles or more daily to live in unregulated, densified residential structures in overdeveloped areas of the City. At the same time, employment hubs in overdeveloped downtown, Civic Center, mid-Market, and other areas generate massively increased commuter traffic and transit use.

Even though the Project Nexus Study acknowledges some of the real transportation impacts of City's unregulated development, the TSF does nothing to actually mitigate those impacts.

The duty of the Board of Supervisors and this committee is to serve the public, meaning *all* of the public, including the majority of travelers who use automobiles, not just small, special interest groups like bicyclists who comprise less than four percent of San Francisco travelers. The TSF is of regional and statewide importance, since it will significantly affect traffic throughout the City and the region.

The proposed legislation should be rejected.

Mary Miles



SFMTA

San Francisco Planning

SAN FRANCISCO

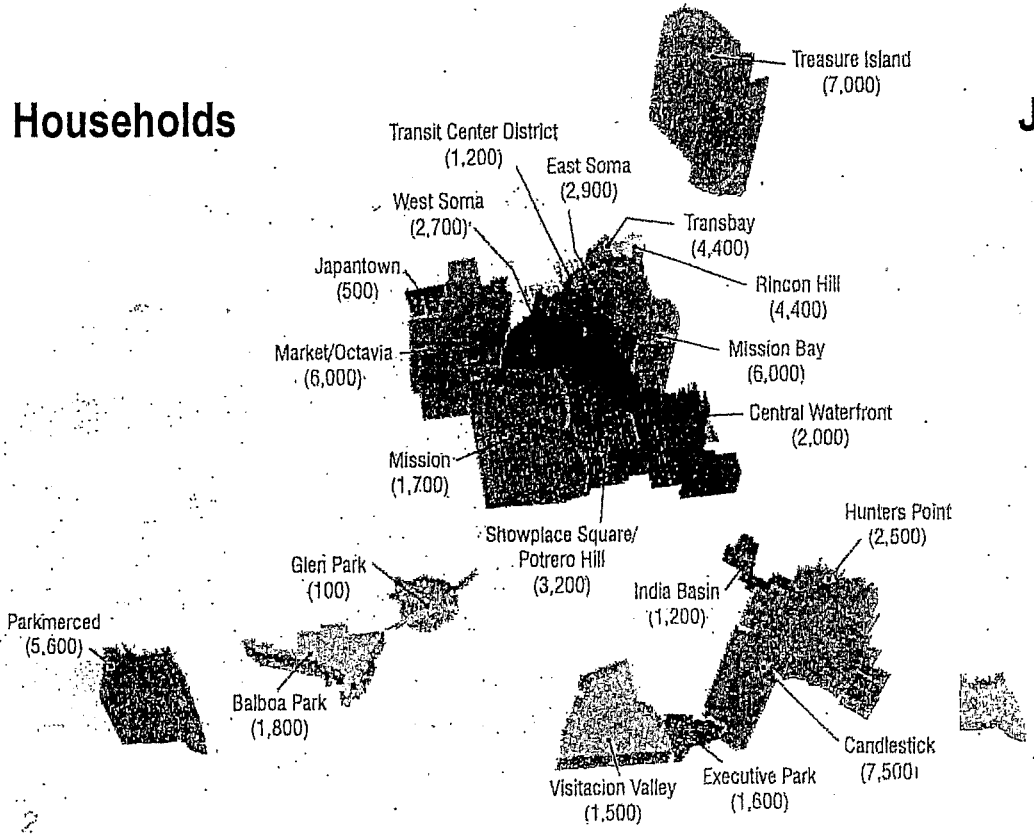
HOW DO WE GROW SUSTAINABLY?

By 2040: **100,000+** new households

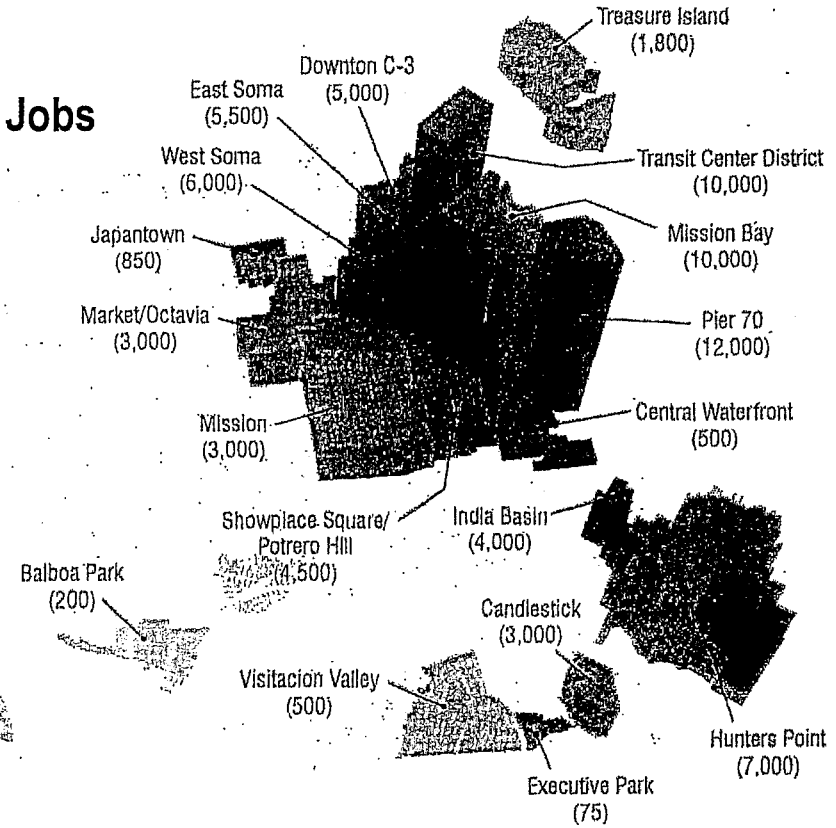
190,000+ new jobs

40% of housing projections already in pipeline

Households



Jobs



TRANSPORTATION SUSTAINABILITY PROGRAM

TSP

Keeping people moving as our city grows

align

MODERNIZE ENVIRONMENTAL REVIEW



More meaningful transportation analysis that better captures environmental effects

shift

ENCOURAGE SUSTAINABLE TRAVEL



On-site transportation amenities that reduce reliance on driving

invest

ENHANCE TRANSPORTATION TO SUPPORT GROWTH



Development fee to help fund transit and safer streets


invest
$
ENHANCE TRANSPORTATION
TO SUPPORT GROWTH

URGENT FUNDING NEED

TRANSPORTATION TASK FORCE 2030

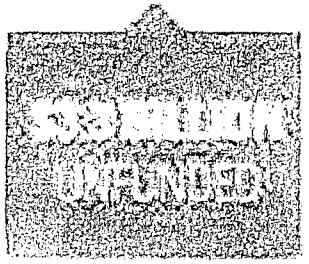
EXISTING PLANS/ PROJECTS/POLICIES

Facilities Vision	Bicycle Strategy	SF Area Plans	SF County Transportation Plan
Ped Strategy	Muni Fleet Plan	SF Capital Plan	
MTA Capital Plan	MTA Strategic Plan	Regional Trasportation Growth	
ADA Plan	TEP	Neighborhood Transportation Plans	

$10 BILLION TRANSPORTATION FUNDING NEED TO 2030

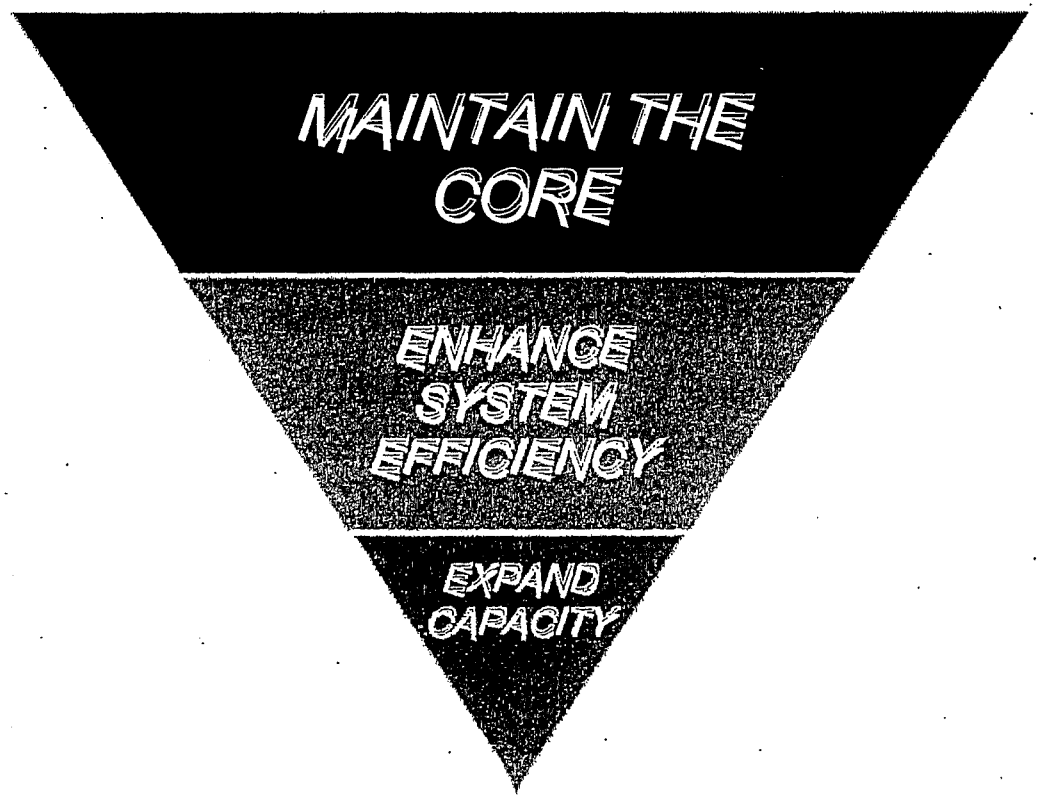
$3.7 BILLION IN EXISTING FUNDING

$3 BILLION IN TTF FUNDING



INVESTMENT PRIORITIES

TRANSPORTATION TASK FORCE 2030



Focus of new revenue sources requiring voter approval – existing residents invest in maintaining the core system

Focus of the Transportation Sustainability Fee – Developers pay their fair share for transportation impacts from new trips

PROPOSED TRANSPORTATION SUSTAINABILITY FEE



- Citywide transportation fee to ensure that new development pays its fair share for impacts on the transportation system
- Replaces *existing* citywide Transit Impact Development Fee (TIDF) and expands applicability to include market-rate residential development and certain large institutions*
- No change to status quo for nonprofits

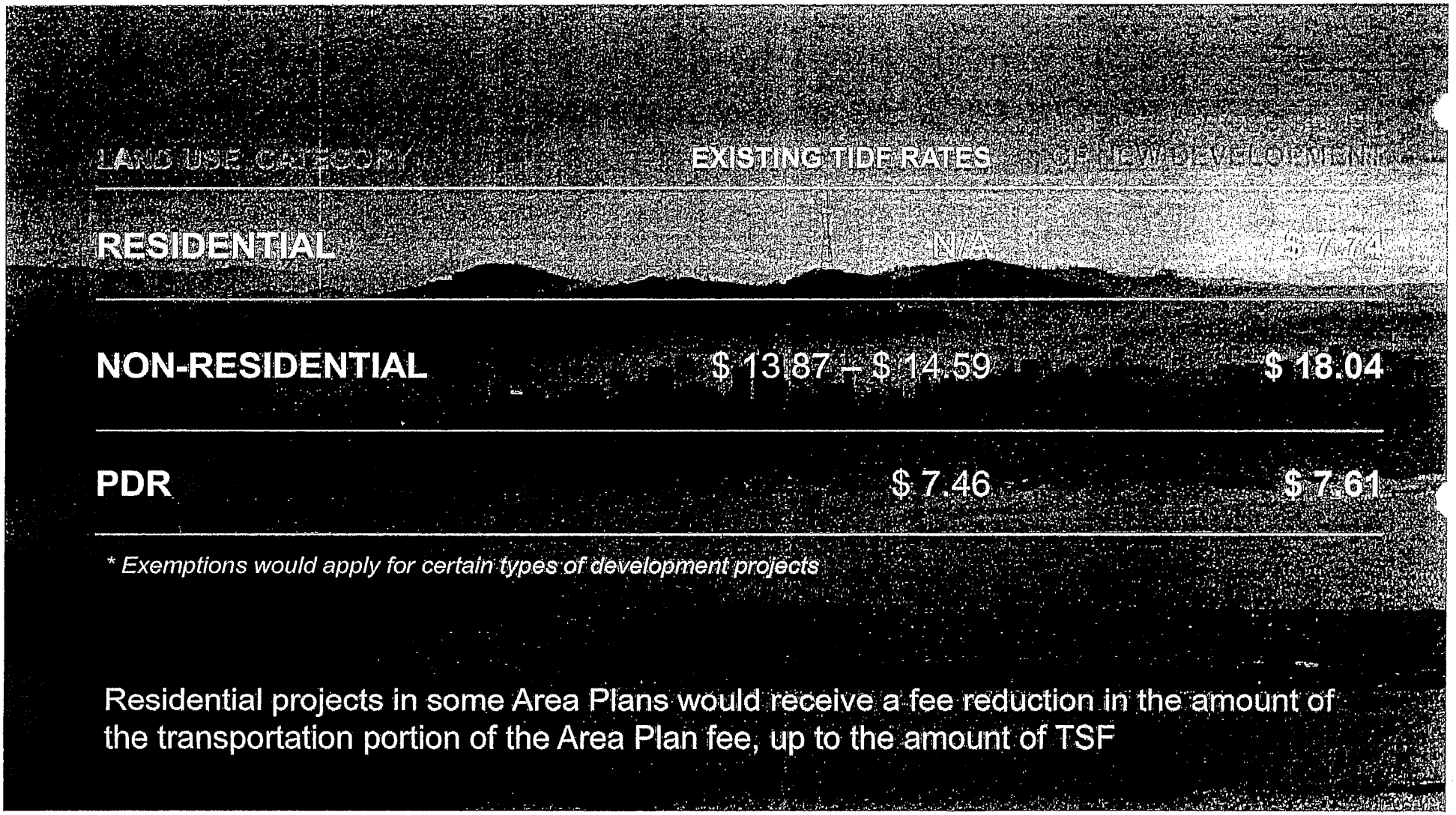
*Exemptions apply

NEXUS & ECONOMIC FEASIBILITY STUDIES

The fee proposal was crafted to strike a balance between two technical studies:

- **TSF Nexus Study:** Analyzed the total cost to the City of providing transportation infrastructure to serve the demand generated by new growth.
- **TSF Economic Feasibility Study:** Evaluated how high fees could be set without making new development projects too costly to build.

PROPOSED FEE RATES



LAND USE CATEGORY	EXISTING TIDF RATES	% OF NEW DEVELOPMENT
RESIDENTIAL	N/A	$ 7.74
NON-RESIDENTIAL	$ 13.87 – $ 14.59	$ 18.04
PDR	$ 7.46	$ 7.61

** Exemptions would apply for certain types of development projects*

Residential projects in some Area Plans would receive a fee reduction in the amount of the transportation portion of the Area Plan fee, up to the amount of TSF

PROPOSED FEE APPLICABILITY



Applies to:

- Most non-residential development (generally same as existing Transit Impact Development Fee)
- Market-rate residential development creating 21 or more units
- Large non-profit private universities with Institutional Master Plan

PROPOSED FEE EXEMPTIONS



Does not apply to:

- Deed-restricted affordable units (80% AMI) & 100% middle-income housing (150% AMI) projects
  - » Required inclusionary units are not exempt
- Residential development creating 20 or fewer units
- Small business changes of use (<5,000 sf), except formula retail
- Nonprofits (same rules as existing TIDF, except for large non-profit private universities)
  - » Nonprofit hospitals continue to be exempt. The Board of Supervisors may vote to apply TSF when California's Seismic Safety Law requirements are exhausted (currently 2030).

PROJECTS IN THE PIPELINE – PROPOSED



- **Projects with Planning entitlements:** would not pay TSF, but would pay existing TIDF (which does not apply to residential)
- **Residential projects with development applications submitted:** would pay 50% of TSF
- **Non-residential projects with development applications submitted:** would pay existing TIDF rates

PROJECTED REVENUE



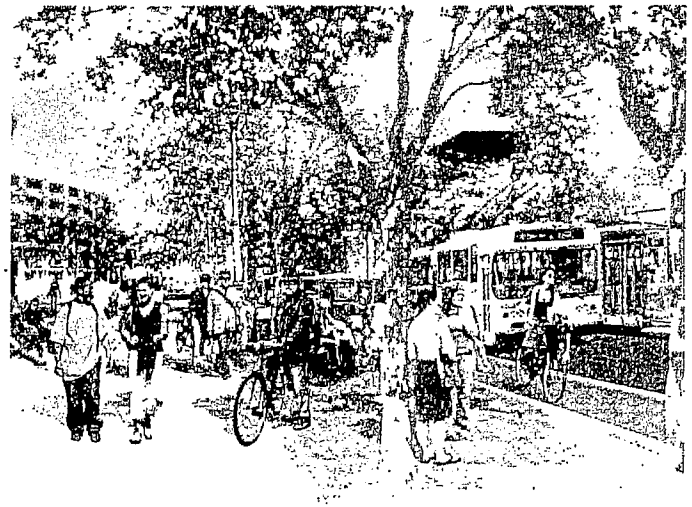
EXPENDITURE PLAN CATEGORY	ANNUAL REVENUE (2018)	30-YEAR REVENUE (2018$)
TSF	$45,700,000	$1,370,000,000
Less: TIDF (existing)	($24,000,000)	($719,400,000)
Less: Exemptions & Grandfathering	($7,700,000)	($230,000,000)
NET NEW REVENUE UNDER TSF	$14MN	$420MN
TOTAL TSF	$38MN	$1.2BN

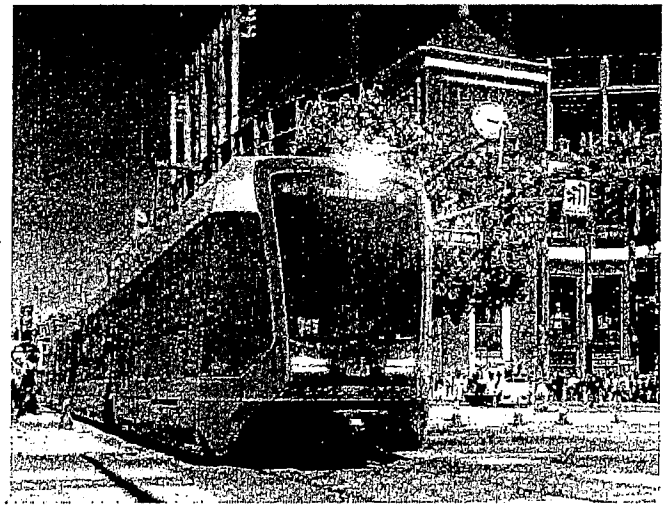
EXPENDITURE PLAN: OUTCOMES



Over $400mn in NEW transportation funding over 30 years

- More Muni buses and trains
- Faster and more reliable local transit
- Roomier and faster regional transit (e.g. BART, Caltrain)
- Safer walking and bicycling







OUTREACH TO AFFECTED STAKEHOLDERS



- Community Advisory Committees
- Small businesses
- Development community
- Transportation advocates
- Housing advocates
- Boards and Commissions

BOARD & COMMISSION RECOMMENDATIONS



SFMTA Board and Small Business Commission: unanimously ***recommend approval***

Planning Commission: unanimously ***recommend approval*** with the following amendments for the Board to consider:

- Apply a 50% grandfathering discount to projects with Planning applications prior to July 1, 2014; 25% discount for projects with applications after this date
- Exempt post-secondary institutions from the fee
- Remove the fee exemption for hospitals
- Consider graduated fee rates up to 33% of nexus, based on project feasibility and/or remove the area plan fee credit
- Require an updated feasibility study every 3 years, or as requested by Mayor, Board, or Planning Commission

THANK YOU

TRANSPORTATION SUSTAINABILITY PROGRAM

Keeping people moving as our city grows

tsp

SFMTA | San Francisco Planning | SAN FRANCISCO

TSF Amendments

11/3/15 - Avalos Amendments

Currently proposed fees:

- Small residential fee is $7.74 (25% of the nexus)
- Large residential fee is $8.74 for units above 100: (27% of the nexus for a 200-unit building)
- Small non-residential fee is $18.04 (only 20.6% of nexus)
- Large non-residential fee is $19.04 (only 21.2% of nexus for 200,000 sq ft)

1. **Increase non-residential TSF:**

- Non-residential 800-99,999 sf: raise fee $0.50 to $18.54
  - This is still only 21.2% of the nexus
- Non-residential all sf over 99,999: raise fee $4.00 to $23.04
  - This is still only 23.8% of the nexus.

failed

Rationale:

- The current proposal charges residential uses a significantly higher percentage of the fee justified by the nexus compared to non-residential.
- The nexus study shows that commercial developments generate almost three times the impacts on our transportation system.
- The Planning Commission analyzed the fiscal feasibility of these proposed fee increases combined with Supervisor Yee's childcare impact fee, and found that the three commercial prototypes would still be feasible.

2. **Tiered grandfathering residential**

- Projects submitted between 7/1/14 and 7/21/15 pay 75% of the TSF.
  - (Currently they would pay 50% of the TSF.)

failed

Rationale:

- This was recommended by the Planning Commission.
- Projects that submitted application after July 1, 2014 knew that the City was in the process of implementing the TSF.

3. **Tiered grandfathering non-residential**

duplicated

- Projects submitted before 7/1/14 pay 50% of the difference between the TIDF and the TSF.
- Projects submitted between 7/1/14 and 7/21/15 pay 75% of the difference between the TIDF and TSF.
- Projects submitted after 7/21/15 would pay the full TSF.
  - (Currently all of these projects would pay only the TIDF, $14.43/sf)

Rationale:

- This would make the grandfathering equitable for non-residential projects.

4. **Study Geographic-Based Fee Structure**

- Add new Subsection 411A.9.
- This was the amendment Avalos intended to make at committee, but it was not fully incorporated.

original

SEC. 411A.9. FURTHER STUDY OF ECONOMIC FEASIBILITY.

The Board of Supervisors hereby requests that the Controller and the Planning Department study the feasibility of creating a variable impact fee structure based on the economic feasibility of projects in different areas of the City, and report back to the Board within six months of the effective date of this Ordinance.

TSF ECONOMIC FEASIBILITY STUDY: NON-RESIDENTIAL PROTOTYPES
FEASIBILITY OF TSF COMBINED WITH CHILD CARE FEE

% Change in Residual Land Value - Updated 10/30/15

Key to shading:

< 5% change in RLV	-3%
5-9% change in RLV	-6%
> 10% change in RLV	-10%

Prototype Description	Project Size		TSF Fee Scenario: % Change in Residual Land Value (RLV)									
	GSF	Height	AS PROPOSED for less than 100,000 sf: $18.04/GSF	AS PROPOSED for more than 100,000 sf: $19.04/GSF	$19.61 ($18.04 TSF + $1.57 Child care fee)	$20.61 ($1 increase on TSF with Child care fee)	$20.61 ($19.04 TSF + $1.57 Child care fee)	$21.61 ($1 increase on TSF with Child Care fee)	$22.61 ($2 increase on TSF with Child Care fee)	$23.61 ($3 increase on TSF with Child Care fee)	$24.61 ($4 increase on TSF with Child Care fee)	$25.61 ($5 increase on TSF with Child Care fee)
(NEW) Central SoMa*	92,000 sf	85'	-5%	--	-7%	-9%	--	--	--	--	--	--
7. East SoMa	249,300 sf	160'	--	-4%	--	--	-6%	-6%	-7%	-7%	-8%	-8%
10. Transit Center	384,700 sf	400'	--	-5%	--	--	-6%	-7%	-7%	-8%	-9%	-9%



Avalos proposal:
800-99,999 sf: $18.54 TSF



Avalos proposal:
100,000+ sf: $23.04 TSF

Amendment by Supervisor Cohen
File No 150790
Agenda Item 3
Planning Code – Establishing a New Citywide TSF

Removal of Hospital Exemption

Page 8

Charitable Exemptions. The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code Section 214. However, ~~any~~ Hospitals and *Post-Secondary Educational Institution*s *that require*~~s~~ *an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption.*

TSF Amendments

1. **Eliminate area plan exemption**

2. **Eliminate hospital exemption**

3. **Create a three-tiered structure for the overall TSF**
   - Residential:
     - 21-50 units: $7.74/square foot (25% of the nexus)
     - 51-99 units: $8.98/square foot (29% of the nexus)
     - 100+ units: $10.21/square foot (33% of the nexus)
   - Non-residential:
     - 800-39,999 GSF: $21.86 /square foot (25% of the nexus)
     - 40,000-99,999 GSF: $25.36/square foot (29% of the nexus)
     - 100,000+ GSF: $28.85/square foot (33% of the nexus)

4. **Tiered grandfathering residential**
   - Projects submitted before 7/1/14 would pay 50% of the TSF.
   - Projects submitted after 7/1/14 would pay 75% of the TSF.

5. **Tiered grandfathering non-residential**
   - Projects submitted before 7/1/14 would pay 50% of the difference between the TIDF and the TSF.
   - Projects submitted after 7/1/14 would pay 75% of the difference between the TIDF and TSF.

6. **Study Geographic-Based Fee Structure**
   - Direct the Planning Department and the Controller to study the feasibility of making impact fees variable based on the economic feasibility of different areas of town.

150790
pc

	Total	Per Unit
	357,887	400
Land		
All Parcels at $175k/door	70,000,000	175,000
Total Land	**70,000,000**	**175,000**
Hard Construction Costs		
Estimated Based on Current Market Conditions	166,000,000	415,000
Total Hard Costs	**166,000,000**	**415,000**
Soft Costs		
A&E	6,640,000	16,600
Insurance	4,150,000	10,375
Construction Interest	9,130,000	22,825
Soft Costs - Other	14,940,000	37,350
Total Soft Costs (excludes Government Fees)	**34,860,000**	**87,150**
Planning Fees		
Planning Department	800,000	2,000
DBI Fees	2,100,000	5,250
Escalation	290,000	725
Total Planning Fees	**3,190,000**	**7,975**
Impact Fees		
Downtown C-3 Artwork	1,660,000	4,150
Inclusionary Affordable Housing Program	25,349,768	63,374
Market & Octavia Community Infrastructure Impact Fee	3,908,122	9,770
Market & Octavia Inclusionary Affordable Housing Fee	3,127,929	7,820
School Impact Fee	910,403	2,276
Wastewater Capacity Charge (old method)	394,280	986
Water Capacity Charge (old method)	146,191	365
Van Ness and Market Inclusionary Affordable Housing Fee	3,358,077	8,395
Escalation	3,885,477	9,714
Total Impact Fees	**42,740,249**	**106,851**
Total Government Fees (As-Is)	**45,930,249**	**114,826**
Total Development Costs (As-Is)	**316,800,000**	**792,000**
Additional Proposed Fees		
Water Reuse Ordinance (estimate)	1,550,000	3,875
Transportation Sustainability Fee (as proposed)	2,770,043	6,925
Total Additional Proposed Fees	**4,320,043**	**10,800**
Total Development Costs (As Proposed by Current Legislation)	**321,100,000**	**803,000**
CCHO Proposed Fees		
Transportation Sustainability Fee (as proposed by CCHO)	5,536,507	13,841
less Transportation Sustainability Fee (as proposed)	(2,770,043)	(6,925)
Total Additional Fees (as proposed by CCHO)	**2,766,464**	**6,916**
Total Development Costs (As Proposed by CCHO)	**323,900,000**	**810,000**

Height Limit (ft)	Tier I 55	Tier II 85	Tier III N/A	Total All
Planning Department Proposed Fees $/SF				
Grandfathered Proposed Fee	$ 3.87	$ 3.87	$ 3.87	$ 3.87
Permanent Proposed Fee	$ 7.74	$ 7.74	$ 7.74	
CCHO Proposed Fees $/SF				
Grandfathered Proposed Fee	$ 6.96	$ 9.28	$ 11.60	$ 9.45
Permanent Proposed Fee	$ 9.28	$ 12.37	$ 15.47	
Percent of Max $30.93 Fee	*30.0%*	*40.0%*	*50.0%*	
Projects Currently in Pipeline				
Q2 2015 Development Pipeline (unentitled)	3,557	3,611	4,403	11,571
Average Gross Residential SF/unit (estimate)	1,000	1,000	1,000	1,000
Total Gross Residential SF in Pipeline	**3,557,000**	**3,611,000**	**4,403,000**	**11,571,000**
Planning Department Proposed Fees				
Total Fees for Grandfathered Units	$ 13,765,590	$ 13,974,570	$ 17,039,610	$ 44,779,770
Fee per Grandfathered Unit	$ 3,870	$ 3,870	$ 3,870	$ 3,870
Permanent Fee per Unit	$ 7,740	$ 7,740	$ 7,740	$ -
CCHO Proposed Fees				
Total Fees for Grandfathered Units	$ 24,756,720	$ 33,510,080	$ 51,074,800	$ 109,341,600
Fee per Grandfathered Unit	$ 6,960	$ 9,280	$ 11,600	$ 9,450
Permanent Fee per Unit	$ 9,280	$ 12,370	$ 15,470	
Minimum Total Fee Differential between Planning's and CCHO's Proposals**	**$ 10,991,130**	**$ 19,535,510**	**$ 34,035,190**	**$ 64,561,830**
Grandfathering Cost Differential per Unit Between Two Proposals	**$ 3,090**	**$ 5,410**	**$ 7,730**	**$ 5,580**
Permanent Cost Differential per Unit Between Two Proposals	**$ 1,540**	**$ 4,630**	**$ 7,730**	

**Planning's proposed $3.87 grandfathered fee is further reduced if project is within a plan area with a portion of one of its preexisting impact fees reserved for transit expenses. CCHO's Proposal eliminates this reduction in plan areas. Therefore the cost differential will be higher than stated above.*

***Assumes the cut-off date language is not adopted. Actual nominal increase to be higher depending on when Grandfathering of currently proposed projects stops, as CCHO letter calls for.*

Implied Rent to Cover Debt Service Assuming:

Assumed Development Cost / Unit	800,000
Assumed Loan to Cost	60.00%
Debt / Unit	480,000
Assumed Interest Rate	4.75%
Monthly Debt Service (25 Year Term)	2,737
Required Debt Service Threshold	1.20
Required Monthly NOI / Unit	3,284
Assumed Operating Expense Ratio	30.00%
Implied Monthly Rent to Cover Debt	4,691

Implied Rent Assuming Required Equity Yield of 6%

Required Equity Yield	6.00%
Equity Requirement	320,000
Required Annual Cash Flow	19,200
Add: Debt Service	32,839
Required NOI	52,039
Expense Ratio	30.00%
Implied Rent - Annual	74,341
# of Months	12
Implied Rent - Monthly	6,195

Amendment by Supervisor Cohen
File No 150790
Agenda Item 3
Planning Code – Establishing a New Citywide TSF

Removal of Hospital Exemption

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Charitable Exemptions. The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code Section 214. However, ~~any~~ Hospitals and *Post-Secondary Educational Institution*~~s~~ *that require*~~s~~ *an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption.*

150790

Somera, Alisa (BOS)

From: Board of Supervisors, (BOS)
Sent: Tuesday, November 03, 2015 9:50 AM
To: BOS-Supervisors; Somera, Alisa (BOS)
Subject: File 150790 FW: TRANSPORTATION SUSTAINABILITY FEE: Support Higher Fees and Simplified Payments

From: WongAIA@aol.com [mailto:WongAIA@aol.com]
Sent: Tuesday, November 03, 2015 4:54 AM
To: wongAIA@aol.com
Subject: TRANSPORTATION SUSTAINABILITY FEE: Support Higher Fees and Simplified Payments

TO: Board of Supervisors, Planning Department and Planning Commission

SaveMuni

Transportation Sustainability Fee:
Support Higher Graduated Fees and Simplified Consolidated Payments

Need data-driven solution rather than Darwinian bargaining.
The City's nexus study determines that transit impacts caused by development could legally justify a residential fee of $30.93 per square foot. San Francisco is already the most densely populated large city in California and the second densest major city in the United States (after New York City). The Transbay/ Rincon Hill area alone will add 60,000 people per day and 20,000 new daily car trips, degrading quality of life---especially without DTX (Downtown Caltrain Extension) and extra Muni transit. In reality, higher density and population will degrade existing Muni, streets, sidewalks, utilities and city infrastructure---passing on "hidden" costs to the taxpayers. Developers are thus heavily subsidized by public funds.

The concept of profitability needs to be quantified.
Although wildly varied, the profit margins of past developments should be quantified, setting parameters for the new Transportation Sustainability Fee. What are actual profits of developments (like in publicly-held companies)? What constitutes an equitable rate of return on investment? Federal and state contracts, like personal service contracts, can set "profit" as a percentage of total contract or construction cost. What is the differential between equitable and actual rates of return? Variables that can affect the rate of return:

- Within the same building envelope, a larger number of smaller units types.
- Innovative housing concepts, like co-operatives, shared housing, micro-units, senior villages....
- Minimum or no parking requirements---planning neighborhood parking pods and public transit incentives.
- Green and sustainability design with public subsidies.
- Lowered land costs---maximizing use of public land and public air rights.
- Objectives of for-profit versus non-profit companies: Affordable, middle-class, market-rate and luxury housing.

City business should be a consolidated and simplified process---to reduce costs.
All fees can be run through a single agency---with single billings and payments---to reduce redundancy, delays and administrative costs. Subsidies and discounts should be available, to adjust for the unique constraints of each development project and economic conditions.

48 HILLS: Developers cry poverty; so sad
http://www.48hills.org/2015/09/28/developers-cry-poverty-so-sad/
But city studies show that market-rate housing and commercial offices can pay a higher fee for transit impacts.
Planning and transportation officials explained how they came up with the proposed fees, which are, at best, equal to a third of the actual costs that the developers are sticking on the city – which means on the Muni riders, the taxpayers, the people who pay for parking meters ... the rest of us will pick up the billion-dollar tab over the next 15 years to pay for the transit costs that developers are creating.

CONTACT: Howard Wong, AIA, wongaia@aol.com

SaveMuni = FRISC
Fast, Frequent, Reliable, Inexpensive, Safe, Clean and "Cool".
SaveMuni is San Francisco's only independent transportation think tank,
dedicated to improving the entire Muni transit system in every neighborhood quickly and inexpensively—with best practices from around the world, transit-preferential streets, bus rapid networks and high benefit-to-cost infrastructure projects.

SAN FRANCISCO CHAMBER OF COMMERCE

October 15, 2015

The Honorable Malia Cohen
The Honorable Jane Kim
The Honorable Scott Wiener
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: File #150790, Establishing a New Citywide Transportation Sustainability Fee

Dear Supervisors Cohen, Kim and Wiener:

The San Francisco Chamber of Commerce, representing over 1,500 local businesses, has weighed in via letter and public testimony, on the proposed Transportation Sustainability Fee (TSF) legislation (File #150790) asking you to support the original language drafted by the SFMTA that went to the Planning Commission last month. We are writing again to urge you to support the legislation with most of the proposed amendments introduced at the Land Use Committee on September 28, 2015. However, we do not support removing non-profit hospitals from the charitable exemption and urge you to reconsider that amendment when the legislation comes before Land Use again on October 19, 2015.

Transportation Impact Development Fees do not apply to non-profit hospitals, nor should the TSF. As you know hospitals are undergoing costly state-mandated seismic retrofitting that has led to a cost of construction of between two and four million dollars *per bed*. Retrofitting often adds square footage to the footprint of hospitals without adding new patient or employee capacity. In addition, hospitals negotiate transportation impact fees directly with the City through individual Development Agreements. Adding the TSF to construction costs will impose financial burdens that may prevent hospitals from providing a full range of care while raising negligible revenue for transportation upgrades.

The details of the TSF legislation were crafted with the support of a broad coalition of transportation advocates that has worked for many years in partnership with city agencies to develop a number of transportation funding mechanisms, including the transportation bond, VLF legislation, self-help county sales tax, and other local and state programs. The unexpected proposed elimination of non-profit hospitals from the charitable exemption in the TSF is a divisive and polarizing breach of trust that puts this coalition and its steadfast support of transportation funding programs at risk.

The Chamber urges you to pass the TSF legislation out of Committee as amended, and to preserve the hospitals' charitable exemption.

Sincerely,

Jim Lazarus
Senior Vice President of Public Policy

cc: Clerk of the Board, to be distributed to all Supervisors; Mayor Ed Lee; Ed Reiskin, SFMTA; Gillian Gillett, Mayor's Office, Nicole Elliott, Mayor's Office

Young, Victor

From: Board of Supervisors, (BOS)
Sent: Monday, October 05, 2015 10:37 AM
To: BOS-Supervisors; Somera, Alisa (BOS); Young, Victor; Evans, Derek
Subject: FW: File No 150790 - Support for higher Transportation Sustainability Fee

Follow Up Flag: Follow up
Flag Status: Flagged

From: Pd Pd [mailto:pdpd71@netscape.net]
Sent: Friday, October 02, 2015 9:06 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: re: File No 150790 - Support for higher Transportation Sustainability Fee

I am a lifelong Bernal Heights, San Francisco resident and I support the Transportation Sustainability Fee.

Peter DiStefano

Young, Victor

From: Board of Supervisors, (BOS)
Sent: Monday, October 05, 2015 10:41 AM
To: Young, Victor; Evans, Derek; Somera, Alisa (BOS)
Subject: FW: File No 150790/Agenda Item 3 10/5/15 - Support for higher Transportation Sustainability Fee

Follow Up Flag: Follow up
Flag Status: Flagged

From: Alice Rogers [mailto:arcomnsf@pacbell.net]
Sent: Sunday, October 04, 2015 4:01 PM
To: Kim, Jane (BOS) <jane.kim@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>
Cc: Yadegar, Danny (BOS) <danny.yadegar@sfgov.org>; Nicole Ferrara <nicole@walksf.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: re: File No 150790/Agenda Item 3 10/5/15 - Support for higher Transportation Sustainability Fee

Honorable Supervisors Wiener, Kim and Cohen comprising the Land Use and Transportation Committee,

Please, **please do not repeat the short-sighted thinking of your predecessors** by kicking transportation and safer street funding down the road for some future generation to grapple with. Your own City staff has acknowledged decades of insufficient transportation infrastructure funding leading to the current $6 billion deficit and a transit and street system completely unable to support current density and planned growth.

I ask you to **support the maximum politically feasible transportation fee increase, and in no circumstance less than the 33% rate** requested by the consortium of transit/pedestrian/bicycle/affordable housing advocates who have addressed their very considered recommendations to committees and commissions throughout the hearings on this issue. Anything less, including the staff recommendations and the sponsors' draft language is woefully inadequate and simply maintains the status quo on the streets.

Further, the legislation must be more nuanced. Please support the recommendations as proposed by Walk San Francisco and their fellow advocates which include:

- **Development must pay for a greater share of its impacts on the transportation system (with tiering** so smaller, lower profit projects pay less than larger, high-profit projects); currently, developers pay for no more than 25% of their impacts on the transportation system.
- **Parking must be included in gross square footage calculations** for the TSF; currently, developers pay impacts based on the square footage of buildings, but parking space is not included.

Discounts must be reduced to 25% for any project early in the application process (i.e., those which submitted initial paperwork after July 1, 2014); current projects -- whether one-day or four-years into the process -- get a 50% discount on their fees.

Your transit-oriented planning and density increases are death-traps in the making if the existing DPH-documented air quality hot spots are not radically diminished as a result of effectively shifting commuters to transit, bike and pedestrian modes. Money, not rhetoric, will speed the change.

Sincerely,
Alice Rogers

.....

Alice Rogers
10 South Park St
Studio 2
San Francisco, CA 94107



SAN FRANCISCO CHAMBER OF COMMERCE

September 25, 2015

The Honorable Malia Cohen
The Honorable Jane Kim
The Honorable Scott Wiener
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: File #150790, Establishing a New Citywide Transportation Sustainability Fee

Dear Supervisors Cohen, Kim and Wiener,

The San Francisco Chamber of Commerce, representing over 1,500 local businesses, has reviewed the SFMTA's proposed Transportation Sustainability Fee (TSF) legislation (File #150790) with a broad cross-section of partners who represent both large and small employers. We have paid close attention to this legislation after the first proposal to transition the Transportation Impact Development Fee (TIDF) to the TSF failed at the Board of Supervisors in 2012, in part due to broadly negative impacts the new fees would have had on San Francisco small businesses and non-profit service providers and institutions.

The current draft of the TSF legislation contains substantial changes to the earlier proposal that reflect a more reasonable transportation fee policy. With most nonprofits, affordable housing developments as well as businesses with less than 5,000 square feet exempted, those businesses least able to absorb the fee will not be required to pay it. This is a prudent shift in the proposed policy that reflects the need to support growth in San Francisco's small business and non-profit service sectors. However, the 800 square feet trigger seems too low for many PDR businesses that routinely fill larger spaces than commercial uses. In a letter to the Planning Commission which heard this item on September 21st, we suggested raising the threshold for PDRs to at least 1,000 square feet.

The Chamber also recommended the following provision in the current TSF draft language be amended: Section 411A.3.(7)(A), Application of TSF, Charitable Exemptions, reads: "The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code Section 214. *However, any Post-Secondary Educational Institution that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption."*

It appears the only post-secondary institution in the city that would be required at this time to pay the fee is the University of San Francisco (USF). We believe it is unnecessary and unfair to, in effect, exclude one institution from the charitable exemption provision. We therefore requested this language (in italics above) be removed from the legislation. The Planning Commission agreed and recommended that the TSF charitable exemption apply to USF as well.

Unfortunately, the Planning Commission also recommended that the TSF apply to hospitals, which currently do not pay the TIDF and are exempt from the TSF in the legislation. Hospitals provide far more charitable care than other social service providers in the city. They are all undertaking state-mandated seismic upgrades that have pushed construction costs to over $2 million per bed. The upgrades do not generally result in more patients or greater transportation impacts. Applying the TSF to hospital construction will push these costs even higher and may prevent their ability to provide all manner of care to their patients, while reaping negligible fees for transportation. We therefore urge the Supervisors to reject this recommendation.

The Chamber also urges you to keep the transportation fees for residential, non-residential and PDR construction at the levels proposed in the legislation. Increasing the fees, particularly on residential construction, may make costs prohibitively expensive and reduce the amount of new housing that will be built in the city. Given San Francisco's critical housing shortage, we must be extremely thoughtful about how to balance the need to fund transportation improvements with the need for new housing. We recommend the Supervisors vote to keep the TSF fees as proposed in the current legislation.

Sincerely,



Jim Lazarus
Senior Vice President of Public Policy

cc: Clerk of the Board, to be distributed to all Supervisors; Mayor Ed Lee; Alicia Jean-Baptiste, SFMTA; Gillian Gillett, Mayor's Office, Nicole Elliott, Mayor's Office

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Tuesday, October 06, 2015 1:25 PM
To: BOS-Supervisors; Young, Victor; Evans, Derek; Somera, Alisa (BOS)
Subject: File 150790 FW: Developers Spared Larger Transit Fees - Sad to see further "premature-capitulation" on transit fees by the Land-Use committee SFBOS
Attachments: train_1_big.jpg; frankfurt%20hbf.jpg; Curitiba_BRT_RIT_550PINHEIRINHOCARLOSGOMES_B12M.jpg; max%20bus.jpg

From: Aaron Goodman [mailto:amgodman@yahoo.com]
Sent: Tuesday, October 06, 2015 12:23 PM
To: jsabatini@sfexaminer.com
Cc: letters@sfexaminer.com
Subject: Developers Spared Larger Transit Fees - Sad to see further "premature-capitulation" on transit fees by the Land-Use committee SFBOS

Developers Spared Larger Transit Fees - Sad to see further "premature-capitulation" on transit fees by the Land-Use committee SFBOS

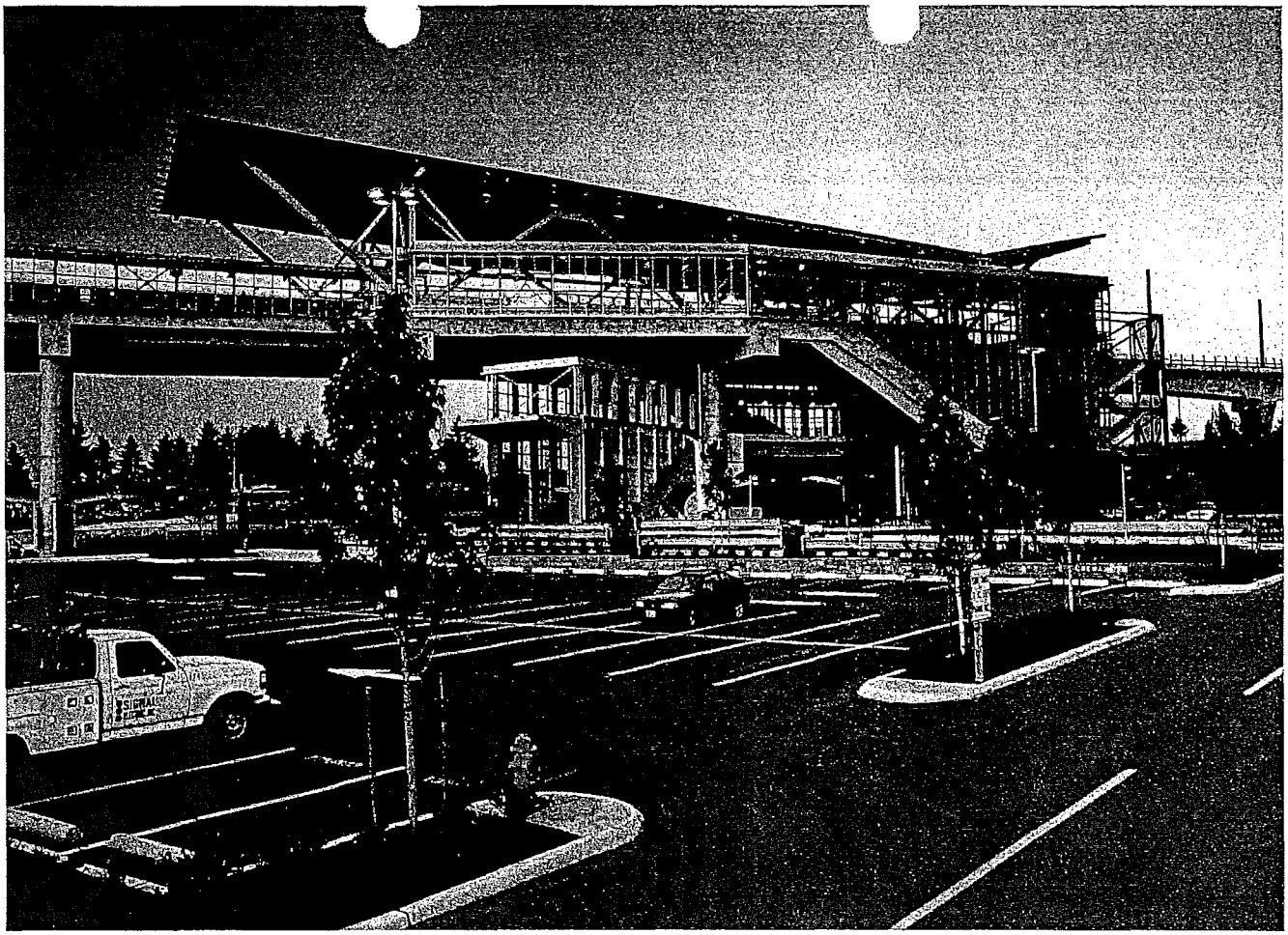
With all the major projects, including a major discussion on the Intermodal Bayshore facility tonight at 6pm at the Vis-Valley Library, it is critical to understand that development and business, along with high-end housing and institutional growth pay in to the transit and housing issues we face as a city. Simple solutions like LRV lines up Geneva/Harney to Balboa Park station's proposed future density of the Balboa Reservoir and Upper Yard proposed development, along with the many sites in the D10 district including the Schlage Lock Factory site and future proposed Baylands development will end up in bumper to bumper traffic already seen on HWY 101 and the T-Third line route unless we adequately plan the stations and connectivity these sites can develop. A simple solution would also include water-transit from candlestick or the BVHP shipyards and piers, to San Jose, and Oakland, to lessen the capacity issues of the Embarcadero, and roadways, and BART systems. Future connection to HSR and Caltrains at the Vis-Valley along with a well designed station could be a new entry view heading towards SF than prior candlestick park. With proposals for Olympic venues, and future density that will occur alongside these developments in domino effect, it is critical to ensure that the transit needs are not "short-changed" during the development of transit solutions. The Land-Use Committee of the SFBOS passed on the ability to tax adequately to plan our transit future. With many stations in dis-repair, and needing desperate renewal safety and capacity wise, we need to ensure that the dollars needed are found, and taxation is one way to ensure we have funding. The second concern is to make sure we don't build second-rate designed stations, and we have architectural savy to the concepts and solutions of intermodal designs. When people walk farther they take cars, when the station is poorly designed, its retail fails, and the spaces become dead-zones. I urge the transit planners working on the Vistacion Valley site to look long and hard at the document final draft proposed and ensure we have a solid future link planned, not just a BRT step, but a LRV and transit intermodal facility worthy of the future of our city on the southern edge. There are also needs to seriously re-plan the Balboa Station to improve pedestrian access to intermodal transit lines and Muni systems, and the west-side need to look at Sunset Blvd. and 19th ave. and connection to Daly City BART and north to south western side routes. Hopefully the SFBOS will stand up and comprehend that the transit funding gap we face on numerous city projects is directly connected to the importance of affordable housing's linkage and connectivity to good transit, and well planned and designed station access.

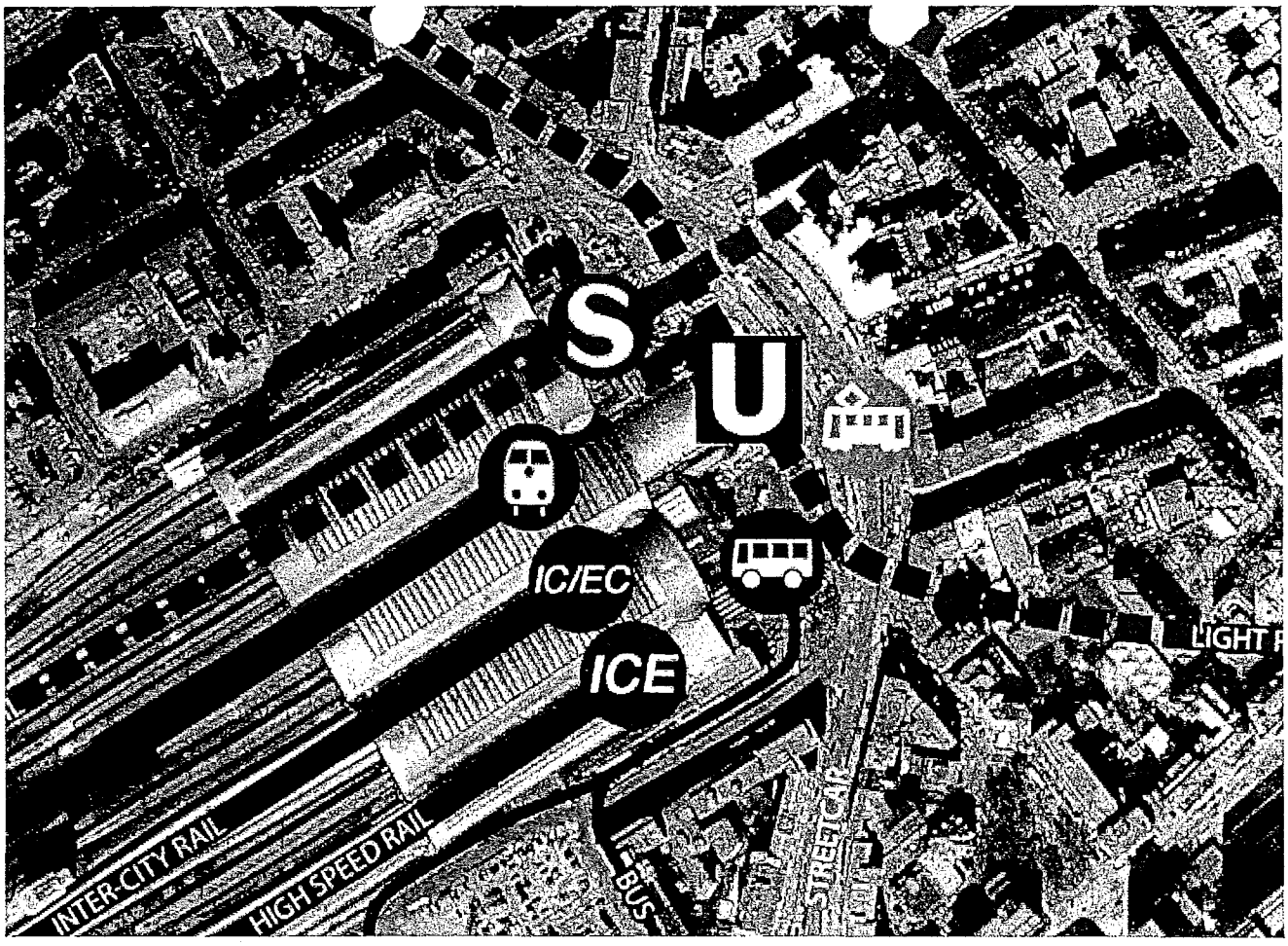
Sincerely

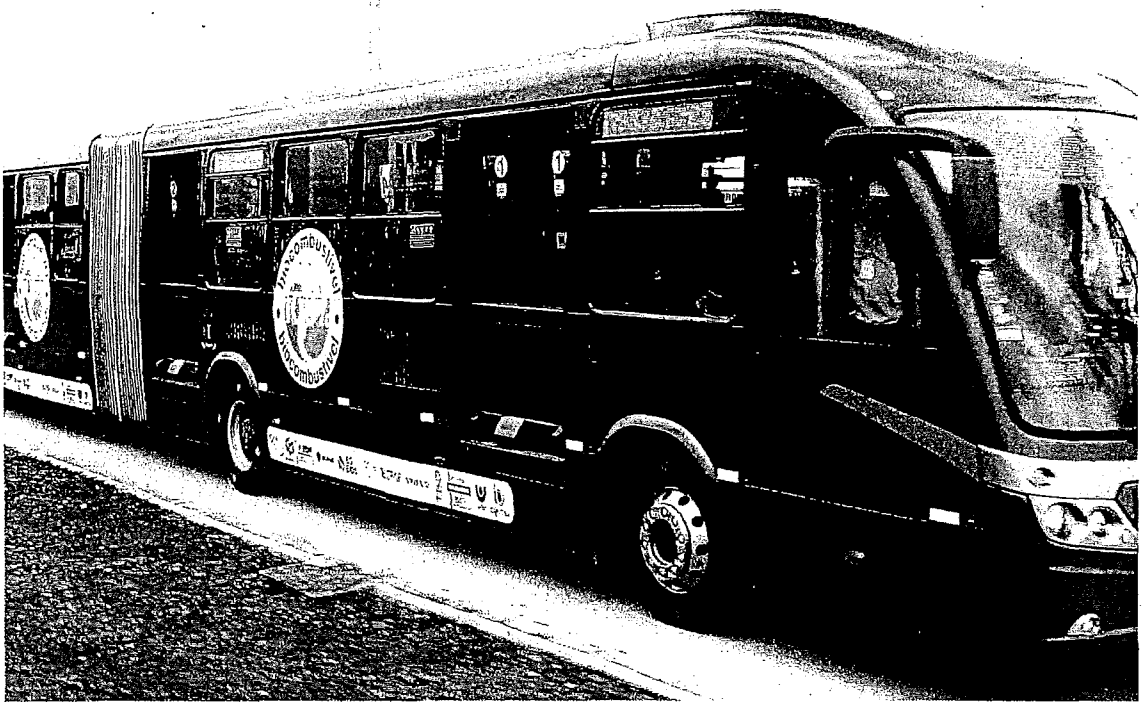
A.Goodman

D11

Image *Tukwila Station Seattle and Plan which shows exactly the type of "cross-over" bridge needed to get LRV vehicles up and over the caltrains and HSR site, recology expansion, and over HWY 101 to Candlestick and BVHP stations while designing a modern and well planned station, and possible retail plaza entry for the Vis-Valley area. Intermodal view of the Frankfurt Hauptbanhoff in Germany showing how a well designed train station links systems. // Double door and longer bus designs which are critical to on/off boarding of larger capacity communities.




S
U
IC/EC
ICE
INTER-CITY RAIL
HIGH SPEED RAIL
BUS
STREET CAR
LIGHT


Biocombustível
Biocombustível


MAX

1111 Eighth Street
San Francisco, CA 94107
415.703.9500

5212 Broadway
Oakland, CA 94618
510.594.3600

cca.edu

CCA CALIFORNIA COLLEGE OF THE ARTS

Land Use and Transportation Committee
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

18 September 2015

RE: 150790 Citywide Transportation Sustainability Fee – *Exemption Request*

Dear Supervisors Cohen, Wiener, and Kim:

I apologize for not contacting you sooner about this matter, but I only recently learned about this proposed ordinance. I suspect that most of the outreach was to the residential development community, not to non-profit post-secondary institutional uses like CCA.

I know that all of you are aware of the challenges of making higher education affordable especially in an expensive place like San Francisco and your previous work on creating student housing legislation has helped enormously in that effort. Just three weeks ago, 200 CCA students and 200 SF Conservatory of Music students moved into The Panoramic at 1321 Mission, the first new construction to take advantage of that visionary legislation. Otherwise, all 400 of those students would have been competing with families for 3 and 4 bedroom rental units across the city. The key element of that legislation was the lifting of the inclusionary housing requirement, without which The Panoramic simply would not have penciled out as affordable student housing.

Now as you consider establishing a new citywide transportation sustainability fee, I ask that you again consider the unique characteristics of the students at non-profit post-secondary colleges in the city. USF and CCA, who are not automatically exempted from the ordinance due to a state affiliation (e.g. Hastings, SFSU, UCSF, etc.), face enormous challenges of making education affordable in the 21st century in San Francisco. It is already more expensive here to acquire land, entitle it, develop it and occupy it than almost anywhere else in the country.

Additionally, the students at these colleges have very light impacts. They are largely a bike riding and walking community with very few if any possessions other than bikes, textbooks or musical instruments. They spend most of their time on campus pursuing their studies and are simply not heavy users of city services. Many of their colleges provide shuttle services and other transportation options that are funded by the institutions they attend.

As you know, a big part of any thriving urban economy is successful anchor institutions of higher education fueling the intellectual and human capital that a city requires to flourish. With this in mind, I respectfully request that you consider extending the exemptions already in place to this group of non-profit post-secondary institutional uses.

Sincerely,

David Meckel

David Meckel, Director of Planning

Somera, Alisa (BOS)

From:	Richard Rabbitt <richard.rabbitt@stanfordalumni.org>
Sent:	Monday, September 21, 2015 1:20 PM
To:	Ausberry, Andrea; Kim, Jane (BOS); Cohen, Malia (BOS); Wiener, Scott; Yadegar, Danny; Lee, Ivy (BOS); Lang, Davi (BOS); Bruss, Andrea (BOS); Chan, Yoyo (BOS); Tugbenyoh, Mawuli (BOS); Taylor, Adam (BOS); Power, Andres
Cc:	Assessor, SF (ASR); Tseng, Margaret (ASR); david.yeung@boe.ca.gov
Subject:	TSF Agenda Item: Request that University of San Francisco not be exempted pending investigation into college exemption forms filed by USF with the SF Assessor
Attachments:	Excerpts - USF's 2014 exemption claiming exclusive educational use of 23....pdf; List of USF cell sites (wireless communication sites).pdf; lta08054.pdf; USF_BOE 264AH_2011.pdf; USF_BOE 264AH_2013.pdf; USF_BOE 264AH_2012.pdf; USF 2014 College Exemption Claim.pdf

Dear Supervisors Cohen, Wiener, and Kim:

I am writing with reference to today's Land Use Committee Agenda item No. 3, the amendment to the Planning Code to establish a new Citywide Transportation Sustainability Fee (the "TSF").

I respectfully request that the Land Use Committee **not** adopt the recommendation of the Planning Commission that the TSF be amended to exempt non-profit secondary institutions that adopt a full Institutional Master Plan from paying the TSF.

In addition, as discussed in greater detail below, I am requesting that **no further tax exemptions be granted to the University of San Francisco** until the San Francisco Assessor's office has investigated the fact that **the University of San Francisco has apparently failed to disclose to the San Francisco Assessor's office**, in connection with college exemption claims filed by USF over the years, that USF has had, and continues to have, multiple cell tower leases on its properties that, pursuant to a 2008 California State Board of Equalization legal opinion, are in fact non-exempt and assessable for property tax purposes.

I. Planning Commission Recommendation; I request that institutions such as USF not be exempted

At the September 10, 2015 hearing, the Planning staff noted that such institutions and their projects, such as the 600 bed, 270,000 square foot dorm planned by the University of San

Francisco, are major trip gen ors and that this is precisely the ; of major development that should be paying the TSF in light of the impact on transportation in San Francisco.

At this Sept. 10th hearing, the University of San Francisco, through several paid representatives, including its attorneys, requested that it be exempted from paying this fee.

I share the view of the Planning staff that the TSF should be applied to major development projects such as USF's $68 million dorm project (based on current estimates provided by USF to the Planning Department) and would ask that you **not adopt** the Planning Commission's amendment exempting institutions such as USF.

II. USF should not get another exemption pending an investigation into whether it failed to disclose cell tower sites in its prior tax exemption claims.

I have reviewed certain exemption forms that the University of San Francisco has filed with the San Francisco Assessor's office and believe that there is a legitimate question as to whether the University's filings have been completely accurate and disclosed all relevant information required by the Assessor in order to determine what tax exemptions should apply to the University, as discussed in more detail below. Given this question as to whether the University of San Francisco has filed completely accurate exemption forms to date with the City of San Francisco, **I believe it would be appropriate for the City to not provide yet another exemption to the University of San Francisco until this matter has been investigated** and a determination has been made by the San Francisco Assessor's office as to (i) whether accurate exemption forms were filed and (ii) if the forms have not been completely accurate, whether the University of San Francisco should be required to pay any applicable property taxes that would have been assessed had the University filed accurate exemption forms.

III. Detailed Discussion of USF's Apparent Failure to Disclose Non-Exempt Uses

A. USF's filed exemption forms do not disclose that a portion of USF's properties are used for a non-exempt purpose (cell tower sites)

For an institution such as US' avail itself of the property tax e ıption, it is required to file an annual form with the San Francisco Assessor entitled "College Exemption Claim" that is to be filed under penalty of perjury. Copies of recent USF filings for prior years are attached to this email.

To better facititate your review of the relevant facts, please see the attached document entitled: "Excerpts - USF's 2014 exemption claiming exclusive educational use of 2350 Turk and other properties with no disclosure of cell sites". This document consists of relevant excerpts of the USF 2014 exemption claim form; in particular, please note that question on the form that asks: "Is the property for which the exemption is claimed used exclusively for the purposes of education?" USF has checked "**Yes**" on the 2014 form and forms for prior years and included the following properties for which this exclusive use is claimed: 2350 Turk, 2195 Fulton, 2130 Fulton, and 2500-2698 Turk. However, this is not correct; USF had had, and continues to have for certain properties, cell tower sites leased to third parties that are not used for educational purposes and therefore the entire property is not exclusively used for educational purposes.

RECEIVED

FEB 14 2014

SAN FRANCISCO Assessor-Recorder's Office

FEB 18 ENTD

BOE-264-AH (P1) REV. 10 (05-13)

COLLEGE EXEMPTION CLAIM

This claim is filed for fiscal year 20 14 - 20 15
(Example: a person filing a timely claim in January 2011 would enter "2011-2012.")

This claim must be filed by 5:00 p.m., February 18.

Carmen Chu, Assessor-Recorder
Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102
www.sfassessor.org (415) 554-5596

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

University of San Francisco
C/O Dominic L. Daher
2130 Fulton Street
San Francisco, CA 94117-1080

FOR ASSESSOR'S USE ONLY
Received by _____ (Assessor's initials)
of _____ (county or city)
on _____ (date)

NAME OF CLAIMANT
Dominic L. Daher, MAcc, JD, LLM

TITLE OF CLAIMANT
Director of Tax

DAYTIME TELEPHONE NUMBER
(415) 422-6124

CORPORATE NAME OF THE COLLEGE
University of San Francisco

ADDRESS (Street, City, County, State, Zip Code)
2130 Fulton Street, San Francisco, CA 94117-1080

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION
Various - see attached

DATE PROPERTY WAS FIRST USED BY CLAIMANT
Various

6. Is the property for which the exemption is claimed used exclusively for the purposes of education?
☑ YES ☐ NO

NAME
Dominic L. Daher

TITLE
Director of Tax

DAYTIME TELEPHONE
(415) 422-6124

EMAIL ADDRESS
ddaher@usfca.edu

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information thereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM
▶ _____

TITLE
Director of Tax

NAME OF PERSON MAKING CLAIM
Dominic L. Daher

DATE
2/10/14

8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1107	8	2500-2698 Turk Bl	Classrooms and Faculty Offices	Owned

B. Evidence of USF's cell tower sites.

Attached to this email is a PDF document listing certain past and current USF cell sites. It lists cell sites for 2350 Turk, 2195 Fulton, 2130 Fulton, and 2500 Turk.

Existing sites:

- Kendrick Hall, 2130 Fulton Street: six panel antennae, flush mounted, and one base transceiver station located on the roof (1997 Conditional Use permit).
- Law Library, 2195 Fulton Street: three panel antennae, flush mounted, and one base transceiver station located on the roof (1997 Conditional Use permit).
- Lone Mountain, Rossi Wing, 2500 Turk Boulevard: sixteen panel antennae, flush mounted, and one base transceiver station located on the roof (2000 Conditional Use permit).
- Gershwin Theater, 2350 Turk Boulevard: two panel antennae, flush mounted, and one base transceiver station located on the roof (2000 Conditional Use permit.

C. State Board of Equalization's 2008 Legal Opinion Re Cell Sites

As noted above, USF has had, and continues to have, a number of cell tower sites located on various properties on its Lone Mountain campus. Pursuant to a legal opinion provided by the State Board of Equalization to County Assessors in the State of California, dated September 16, 2008 ("BOE Determination", a copy of which is attached), non-profit institutions that are otherwise exempt (due to the fact that they are using their property for a charitable purpose) are **not** exempt with respect to that portion of their property which is being used for non-exempt purposes (such as a lease of a portion of a building for a commercial cell tower site).

The BOE Determination notes that the first step is to determine if the organization's exempt purpose is the "exclusive use" made of the property in question. The BOE Determination goes on to conclude that leasing a portion of property for a cell tower site clearly does not qualify as an exempt use and that it would be difficult to conclude that such a cell tower site is both incidental to and reasonably necessary for the exempt purpose. Consequently, the BOE Determination concludes that, although the exempt institution would retain the exemption for the remainder of its property that is in fact used for the exempt purpose, the portion that is being used for the non-exempt purpose should be assessed by the applicable County Assessor (and therefore the institution should pay property tax attributable to such portion).

D. Discussion wit[illegible]avid Yeung of the BOE.

Without getting into the specifics of this matter, I have also confirmed with David Yeung, Principal Property Appraiser with the BOE, pursuant to a conversation this morning, that the BOE Determination remains in full force and effect. I also asked him whether an institution, in completing the type of exemption form that USF completed, should disclose non-exempt uses such as the cell tower sites covered by the BOE Determination. He confirmed that such non-exempt uses should be disclosed in order to allow the County Assessor to evaluate whether the cell tower sites are assessable pursuant to BOE's guidance.

IV. Conclusion: The City should send a strong signal to exempt institutions that strict compliance with the law should be paramount.

USF came before the Planning Commission and asked for special treatment – it asked that it be given yet another exemption from paying taxes to support City services even though the Planning Staff had determined that major developments such as USF's proposed 600 bed, 270,000 square foot, $68 million dorm have major impacts on City transportation systems and therefore should pay their fair share. By exempting USF, the City would be giving them another tax break in excess of $1 million. In addition, based on the evidence provided with this email, USF's prior tax filings with the San Francisco City Assessor do not appear to be completely accurate and USF may in fact owe tax to the City with respect to matters omitted from such filings. In light of that concern, I would respectfully suggest to the Land Use Committee that it would be inappropriate to grant yet another exemption to USF. At the very least, any such exemption should be deferred until the San Francisco Assessor has weighed in on these questions.

RECEIVED

FEB 14 2014

SAN FRANCISCO
Assessor-Recorder's Office

FEB 18 ENT'D

BOE-264-AH (P1) REV. 10 (05-12)

COLLEGE EXEMPTION CLAIM

This claim is filed for fiscal year 20 14 - 20 15
(Example: a person filing a timely claim in January 2011 would enter "2011-2012.")

This claim must be filed by 5:00 p.m., February 15.

Carmen Chu, Assessor-Recorder
Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102
www.sfassessor.org (415) 554-5596

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

University of San Francisco
C/O Dominic L. Daher
2130 Fulton Street
San Francisco, CA 94117-1080

FOR ASSESSOR'S USE ONLY

Received by _____ *(Assessor's designee)*

of _____ *(county or city)*

on _____ *(date)*

NAME OF CLAIMANT	
Dominic L. Daher, MAcc, JD, LLM	
TITLE OF CLAIMANT	DAYTIME TELEPHONE NUMBER
Director of Tax	(415) 422-5124
CORPORATE NAME OF THE COLLEGE	
University of San Francisco	
ADDRESS *(Street, City, County, State, Zip Code)*	
2130 Fulton Street, San Francisco, CA 94117-1080	
ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION	DATE PROPERTY WAS FIRST USED BY CLAIMANT
Various - see attached	Various

6. Is the property for which the exemption is claimed used exclusively for the purposes of education?

☑ YES ☐ NO

NAME	TITLE
Dominic L. Daher	Director of Tax
DAYTIME TELEPHONE	EMAIL ADDRESS
(415) 422-5124	didaher@usfca.edu

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM	TITLE
▶ Dominic L. Daher	Director of Tax
NAME OF PERSON MAKING CLAIM	DATE
Dominic L. Daher	2/10/14

8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1107	8	2500-2698 Turk Bl	Classrooms and Faculty Offices	Owned

The University of San Francisco
Neighborhood Summary Update #14
December 21, 2012

Existing sites:

- Kendrick Hall, 2130 Fulton Street: six panel antennae, flush mounted, and one base transceiver station located on the roof (1997 Conditional Use permit).
- Law Library, 2195 Fulton Street: three panel antennae, flush mounted, and one base transceiver station located on the roof (1997 Conditional Use permit).
- Lone Mountain, Rossi Wing, 2500 Turk Boulevard: sixteen panel antennae, flush mounted, and one base transceiver station located on the roof (2000 Conditional Use permit) .
- Gershwin Theater, 2350 Turk Boulevard: two panel antennae, flush mounted, and one base transceiver station located on the roof (2000 Conditional Use permit.

INFORMATION REGARDING CONDITIONAL USE PERMITS ISSUED FOR THESE CELLS SITES IS SET FORTH ON THE FOLLOWING PAGES.

University of San Francisco

Institutional Master Plan
Appendix 3

Prior Conditional Use Authorizations

Antennas on Kendrick Hall – Block 1190, Lot 001

Motion No. 14294 (Case No. 96.731C)

1997 conditional use authorization to install a total of six panel antennas and a base transceiver station on the roof of an existing building for Sprint Spectrum. Conditions of approval as follows:

1. This authorization is granted to install up to six antennas and a base transceiver station (the "facilities") on the roof of the existing building at 2195 Fulton Street, Assessor's Block 1190, Lot 1; the facilities are to be installed in general conformity with the plans identified as EXHIBIT B, dated November 27, 1996, and submitted to the Commission for review on January 16, 1997.

Motion No. 14456 (Case No. 97.507C)

1997 conditional use authorization for Pac Bell Mobile Services to install a total of three panel antennas on the building's façade and a base transceiver station on the roof of an existing building. Conditional of approvals as follows:

University of San Francisco

Institutional Master Plan
Appendix 3

Prior Conditional Use Authorizations

1. This authorization is granted to install up to three antennas on the building's facade, and a base transceiver station (the "facilities") on the roof of the existing building at 2195 Fulton Street, Assessor's Block 1190, Lot 1; the facilities are to be installed in general conformity with the plans identified as EXHIBIT B, dated July 17, 1997, and submitted to the Commission for review on September 4, 1997.

Antennas on Gershwin Theater– Block 1107, Lot 006

Motion No. 15049 (00.036C)

2000 conditional use authorization to flush-mount a total of two panel antennas on the facade and install a base transceiver station in an existing rooftop penthouse of the existing Gershwin Theater.

University of San Francisco

Institutional Master Plan
Appendix 3

Prior Conditional Use Authorizations

1. This authorization is granted to flush-mount up to two panel antennas on the facade of the building and install a base transceiver station (the "facilities") on the roof of the existing school building at 2350 Turk Street, Assessor's Block 1107, Lot 006; the facilities are to be installed in general conformity with the plans identified as EXHIBIT B, dated March 21, 2000.

University of San Francisco

Institutional Master Plan
Appendix 3

Prior Conditional Use Authorizations

1. This authorization is granted to flush-mount up to two panel antennas on the facade of the building and install a base transceiver station (the "facilities") on the roof of the existing school building at 2350 Turk Street, Assessor's Block 1107, Lot 006; the facilities are to be installed in general conformity with the plans identified as EXHIBIT B, dated March 21, 2000.

SAN FRANCISCO
PLANNING DEPARTMENT

December 5, 2012

Re: Building Permit Application No. 2012.11.30.5223
2350 Turk Blvd/USF School of Education
Block 1107, Lot 006

Permit Application No. 2012.11.30.5223 has been filed for the property referenced above.

The applicant proposes to replace two existing antennas with two new antennas, addition of four remote radio units behind parapet wall and replace two existing equipment cabinets with two new equipment cabinets on the roof. The proposed modification does not require Planning Code Section 311 notification.

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 • FAX 916 323-8765
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

September 16, 2008

No. 2008/054

TO COUNTY ASSESSORS:

CELL TOWERS ON PROPERTY OF RELIGIOUS ORGANIZATIONS

We have received an increasing number of inquiries regarding religious organizations that lease a portion of their property for wireless communication tower (cell tower) sites. The cell towers are typically installed on the roof of a main worship center, embedded in an item such as a steeple or cross, in the parking lot, or elsewhere on the grounds. The inquiries are seeking an opinion on whether religious organization property leased to telecommunication companies for the installation of cell towers still qualifies for exemption under Revenue and Taxation Code section[1] 206 (church exemption), section 207 (religious exemption), or section 214 (welfare exemption).

As explained in further detail below, the portions of the religious organization property that are leased as cell tower sites would not qualify for the church, religious, or welfare exemptions. However, disqualification of the exemption for the portion of the property leased as a cell tower site does not, by itself, jeopardize the organization's qualification for exemption on the remaining portions of the property that are used exclusively for religious worship (church exemption), for religious worship and the operation of a school of less than collegiate grade (religious exemption), or for religious purposes (welfare exemption).

Law and Analysis

There are three property tax exemptions available for property used for religious purposes:

- Church exemption
- Religious exemption
- Welfare exemption

The church exemption[2] applies to property used exclusively for religious worship. The only requirement that must be satisfied is that the primary use of the property is for religious worship, and that all other uses are incidental and reasonably necessary uses supportive of the primary religious worship use.

The religious exemption[3] applies to property owned and operated by religious organizations that use their property exclusively for religious worship, preschools, nursery schools, kindergartens,

[1] All section references are to the Revenue and Taxation Code unless otherwise indicated.
[2] California Constitution, article XIII, sections 3(f) and 5; section 206.
[3] Section 207.

schools of less than collegiate grade, or for both schools of collegiate grade and schools of less than collegiate grade (but excluding property used solely for schools of collegiate grade). This exemption applies when the religious organization/owner uses its property for both a place of worship and a school.

As relevant to the cell tower issue, the welfare exemption[4] applies to property used exclusively for religious purposes by a qualifying nonprofit entity, if the property is owned and operated by a qualifying nonprofit entity.[5] The definition of *religious purposes* as used for the welfare exemption is much broader than the definition of *religious worship* as used for either the church or religious exemptions.

The church, religious, and welfare exemptions all require that any property for which one of the exemptions is sought must be *used exclusively* for the exempt purpose; specifically for religious worship (church exemption), for religious worship and the operation of a qualifying school (religious exemption), or for religious purposes (welfare exemption). Therefore, the first step in any analysis of a property's qualification for one of the exemptions is a determination as to whether the organization's exempt purpose is the *exclusive use* made of that property. Clearly, leasing a portion of a religious organization's property for the installation of a cell tower does not fall within its exempt purpose, regardless of whether the organization holds a church, religious, or welfare exemption on its property.

The next step in determining qualification for exemption pertains to property that is used for a purpose that is not within the organization's primary exempt purpose. For such property, it must be determined whether that use is incidental to and reasonably necessary for the organization's exempt purpose. The courts have consistently approved exemption for property that, while not used solely for the organization's primary purpose, is incidental to and reasonably necessary for the accomplishment of that primary exempt purpose. In *Cedars of Lebanon Hospital v. County of Los Angeles*,[6] the California Supreme Court held:

> It thus appears that under the rule of strict but reasonable construction, the phrase "property used exclusively for...hospital...purposes" should be held to include any property which is used exclusively for any facility which is incidental to and reasonable necessary for...the fulfillment of a generally recognized function of a complete modern hospital.

Although the *Cedars* court interpreted the term *used exclusively* to include uses that are incidental to and reasonably necessary for an organization's exempt purpose in the context of a hospital under the welfare exemption, that holding and analysis apply equally to both the church and religious exemptions.[7] Again, it would be difficult to conclude that leasing property for the installation of a cell tower is incidental to and reasonably necessary for religious worship or religious purposes. Therefore, that portion of the property so leased does not qualify for the

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[4] Section 214(a).

[5] This letter discusses only how the welfare exemption relates to property owned by religious organizations. The exemption is also available for property owned by other non-profit organizations and used exclusively for charitable, scientific, or hospital purposes.

[6] (1950) 35 Cal.2d 729.

[7] See Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions*, Part II, at pp. 3, 12-13. All Assessors' Handbook Sections are posted on the Board's website at www.boe.ca.gov/proptaxes/ahcont.htm.

church, religious, or welfare exemptions. However, if a religious organization that qualifies for the church, religious, or welfare exemption leases space for the installation of a cell tower site, the organization may continue to qualify for the exemption on all of its property that previously qualified for the exemption; only the leased portion of the property would be disqualified from exemption.

With respect to the welfare exemption, courts' holdings indicate that disqualification of a portion of property from the welfare exemption does not disqualify the entire property from the welfare exemption. In fact, in *Cedars*, the court held that certain portions of the taxpayer's property qualified and certain other portions did not qualify for the welfare exemption.

We are unaware of any constitutional provision, statute, or judicial precedent that would require a different result when considering the effect of cell tower leases on property qualifying for the church or religious exemptions. Therefore, while the portion of property leased for the placement of a cell tower does not qualify for the church or religious exemptions, it does not disqualify the entire property from exemption. This is especially true since the amount of the property used is, in most cases, minimal. Additionally, and most importantly, the leasing of space on the exterior of a religious organization's building or on its grounds is distinguishable from allowing third party organizations the regular use of the interior of a main building for its own purposes unrelated to a religious purpose.

Assessors' Handbook Section 267, *Welfare, Church, and Religious Exemptions* (AH 267), supports this view. AH 267 states that if religious worship is found to be the primary use of a building and all other uses are incidental to religious worship, the church exemption is applicable to the entire building. It goes on to state:

> If, however, another organization uses all or part of the facility for charitable purposes on a fixed rental basis, the welfare exemption must be claimed by both the church and the other organization *for the extent of that use, in addition to the church exemption for the remaining portion; or the church could claim the welfare exemption for the entire property and the other organization could claim the welfare exemption for the extent of that use.*[8] (Emphasis added.)

AH 267 contemplates that an organization that uses a portion of a building for purposes that are not incidental to religious worship but qualifying for the welfare exemption on that portion must qualify that portion under the welfare exemption; however, the church exemption is not lost on the portion of the building used for religious worship. By extension, if the use of the non-qualifying portion of the building qualifies for neither the church exemption nor the welfare exemption, that portion of the property will not be exempt. However, the remaining portions of the building that are used for religious worship should still qualify for the church exemption. This example applies equally to the religious exemption.

AH 267 also contemplates this treatment when separate structures are involved. It states that the church exemption applies to the place of worship and other areas or rooms in separate structures used for incidental or non-interfering purposes, while the welfare or religious exemption, *or no*

[8] AH 267, Part II, p. 6.

exemption, applies to other structures based on their individual use.[9] This contemplates that there may be other structures on a religious organization's property that do not qualify for the church exemption without jeopardizing the church exemption on the structures used exclusively for religious worship. This example applies equally to the religious exemption.

While possibly difficult for county assessors to measure the actual square footage of the disqualified space because of the varying ways in which cell towers could be placed, it is necessary since the exemption is lost only for that portion of the property leased for the cell tower site. The county assessor must determine a valuation methodology that satisfactorily estimates the value of the leased property. For instance, if leased space is separated from the main worship center on the grounds or in a portion of the parking lot, the leased space square footage may easily be measured. In many cases, however, religious organizations lease and allow the installation of the towers on the main worship center roof or in an item such as a steeple or cross. In those cases, an estimate of square footage leased must be determined, or it may be appropriate for the county assessor to use the income approach to determine the value of the leased site.

For assessment purposes, that portion of the property attributable to the lease may not be assessed as if it had undergone a change in ownership since the loss of an exemption does not trigger a change in ownership.[10] Rather, the value upon which property tax must be paid is equivalent to that portion of the existing factored base year value that no longer qualifies for exemption.

If you have questions regarding these issues, you may contact Mrs. Ladeena Ford at 916-445-0208 or at ladeena.ford@boe.ca.gov.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:lf

[9] AH 267, Part II, pp. 6-7.
[10] Unless the lease is for 35 years or more; section 61(c).

UNIVERSITY OF SAN FRANCISCO
CHANGE THE WORLD FROM HERE

Office of Internal Audit
and Tax Compliance
2130 Fulton Street
San Francisco, CA 94117-1080
Tel 415.422.5124
Fax 415.422.2058

January 12, 2012

Phil Ting, Assessor-Recorder
Welfare Exemption Division
City Hall, Room 190
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Exemption from Property Taxes for 28 Chabot Ter.

To Whom It May Concern:

The University of San Francisco has previously filed a valid College Exemption Form with respect to the property we own at 28 Chabot Ter. (Vol. 08, Block No. 1147, Lot No. 014). Accordingly, we believe the enclosed property tax bills which fail to show our exemption for this property has been issued in error. I've enclosed another copy of our previously filed exemption for this property.

Hence, I am writing to ask that you update your records to reflect the exemption for this property, and please re-issue us a correct tax bill.

Should you require any further information, please feel free to contact me at 415-422-5124.

Kindest regards,

Dominic L. Daher, MAcc, JD, LLM in Taxation
Director of Internal Audit and Tax Compliance

DLD/qt

Enclosure(s):
Property tax bill (1)
Notice of Enrollment of Escape Assessment
2011 College Exemption Claim
Attachments to Exemption Claim (2)

RECEIVED
ASSESSOR-RECORDER OFFICE
12 JAN 17 PM 3:56

City & County of San Francisco
José Cisneros, Treasurer and Tax Collector
Secured Escape Property Tax Bill
Fiscal Year July 1, 2011 through June 30, 2012

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102
www.sftreasurer.org

Vol	Block	Lot	Account Number	Bill Number	Statement Date	Property Location
08	1147	014	114700140	114167	12/16/2011	28 CHABOT TE

UNIVERSITY OF SAN FRANCISCO
2130 FULTON ST
SAN FRANCISCO CA 94117

Assessed Value

Description	Full Value
Land	505,708
Structure	288,931
Fixtures	
Personal Property	
Gross Taxable Value	794,639
Less Exemption	
Net Taxable Value	**794,639**

Additional Tax Bill - Escape Assessment

ESCAPE YEAR 2010
R&T CODE 531.2
A01 T02

Tax Summary

Description	Tax Amount
Real Estate Tax	$9,249.58
Sec. 506 Interest	$.00
TOTAL TAX DUE	**$9,249.58**

Assessee		
UNIVERSITY OF SAN FRANCISCO		
Escape Year	Tax Rate	Bill Date
2010	1.1640%	12/16/2011

1st Installment	2nd Installment
$4,624.79	$4,624.79
DUE 01/31/2012	DUE 01/31/2012

Keep this portion for your records. See back of bill for payment options and additional information.

City & County of San Francisco
Secured Escape Property Tax Bill
Fiscal Year July 1, 2011 through June 30, 2012

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102

Vol	Block	Lot	Account Number	Bill Number	Statement Date	Property Location
08	1147	014	114700140	114167	12/16/2011	28 CHABOT TE

DELINQUENT IF NOT RECEIVED OR POSTMARKED BY JANUARY 31, 2012

2

2nd Installment Due
$4,624.79

Please detach this portion and return with payment to:

San Francisco Tax Collector
Secured Escape Property Tax
P.O. Box 7426
San Francisco, CA 94120-7426

FOR DELINQUENT PAYMENTS	
ADD 10% PENALTY	$462.47
ADD 2ND INSTALLMENT COST	$45.00
TOTAL AMOUNT	$5,132.26

0811470001400 114167 000462479 000046247 013112 2303

City & County of San Francisco
Secured Escape Property Tax Bill
Fiscal Year July 1, 2011 through June 30, 2012

1 Dr. Carlton B. Goodlett Place
City Hall, Room 140
San Francisco, CA 94102

Vol	Block	Lot	Account Number	Bill Number	Statement Date	Property Location
08	1147	014	114700140	114167	12/16/2011	28 CHABOT TE

DELINQUENT IF NOT RECEIVED OR POSTMARKED BY JANUARY 31, 2012

1

1st Installment Due
$4,624.79

Please detach this portion and return with payment to:

San Francisco Tax Collector
Secured Escape Property Tax
P.O. Box 7426
San Francisco, CA 94120-7426

FOR DELINQUENT PAYMENTS	
ADD 10% PENALTY	$462.47
TOTAL AMOUNT	$5,087.26

0811470001400 114167 000462479 000046247 013112 1303

BOE-264-AH (P2) REV. 08 (08-10)

INSTRUCTIONS AND QUESTIONNAIRE FOR COLLEGE EXEMPTION

Answer each question below, and provide as much detail as you consider necessary to support your claim for an exemption for this property. List all locations used, either owned or leased, where the exemption is to be applied.

1. List all buildings and other improvements for which exemption is claimed and state the primary and incidental use of each. Attach a separate sheet if necessary. Indicate whether leased or owned.

LOCATIONS	PRIMARY USE	INCIDENTAL USE	
See Attached	Education	Education housing	☐ LEASE ☑ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN

2. Attach a separate page showing the requirements for admission. A current catalog showing the requirements may be substituted.
   See attached and visit http://www.usfca.edu/catalog/
3. Attach a separate page, or current catalog, listing the degrees conferred upon the graduates and the requirements for each degree.
   See attached and visit http://www.usfca.edu/catalog/
4. Attach a copy of the financial statements (balance sheet and operating statement for the preceding fiscal year.)
   See attached financial statements
5. Has any construction commenced and/or been completed on this parcel since 12:01 a.m., January 1 of last year?
   ☑ YES ☐ NO
   If **YES**, please explain: Renovation work at 28 Chabot Te, 284 Stanyan Street, and 2130 Fulton Street.
6. Is the property, or a portion thereof, for which an exemption is claimed a student bookstore that generates unrelated business taxable income as defined in section 512 of the Internal Revenue Code?
   ☐ YES ☑ NO
   If **YES**, a copy of the institution's most recent tax return filed with the Internal Revenue Service must accompany this claim. Property taxes, as determined by establishing a ratio of the unrelated business taxable income to the bookstore's gross income, will be levied.
7. Has any of the property listed above been used for business purposes other than a student bookstore?
   ☐ YES ☑ NO
   If **YES**, please explain:
8. If the business is operated by someone other than the college, attach a copy of the lease or other agreement. Please explain:
   N/A
9. Is any equipment or other property being leased or rented from someone else?
   ☐ YES ☑ NO
   If **YES**, list on a separate sheet the name and address of the owner and the type, make, model, and serial number of the property. If the property listed is not **used exclusively** for educational purposes at the collegiate level, please state the other uses of the property. If real property, provide the name and address of the owner.

   The benefit of a property tax exemption must inure to the lessee institution. If taxes paid by the lessor, see section 202.2 of the Revenue and Taxation Code.

Whom should we contact for additional information during normal business hours?

NAME	DAYTIME TELEPHONE NUMBER
Dominic L. Daher	(415) 422-5124

ADDRESS *(Street, City, County, State)*
2130 Fulton Street, San Francisco, CA 94117

E-MAIL ADDRESS
dldaher@usfca.edu

BOE-66-A(6-01)

NOTICE OF ENROLLMENT OF ESCAPE ASSESSMENT
[For counties in which the Board of supervisors has not adopted the provisions of section 1605 (c)]

Phil Ting, Assessor – Recorder
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 190
San Francisco, CA 94102
(415) 554-5596

University of San Francisco
RECEIVED
JAN 03 2012
Office of Internal Audit
and Tax Compliance

December 16, 2011

UNIVERSITY OF SAN FRANCISCO
2130 FULTON ST
SAN FRANCISCO,CA 94117

Parcel Number: 1147 014
Address of Property: 28 CHABOT TER
Description of Property:Real Property

A NOTICE OF PROPOSED ESCAPE ASSESSMENT was sent to you as required by Revenue and Taxation Code section 531.8. That notice was sent to advise you of the proposed escape assessment ten (10) days prior to enrollment of the escape assessment. This is to notify you, as required by Revenue and Taxation Code section 534, that the following escape assessment has now been enrolled.

YEAR		2010
LAND	$	505,708
IMPR	$	288,931
PERSONAL PROPERTY	$	0
FIXTURE	$	0
EXEMPTION	$	0
NET VALUE	$	794,639

YOUR RIGHT TO AN INFORMAL REVIEW

If you believe this assessment is incorrect, you have the right to an informal review with a member of the Assessor's Staff. You may contact us at (415) 554-5596 for information regarding an informal review.

YOUR RIGHT TO APPEAL

You also have the right to a formal appeal of the assessment, which involves (1) the filing of an APPLICATION FOR CHANGED ASSESSMENT, (2) a hearing before an appeals board, and (3) a decision by the appeals board. An APPLICATION FOR CHANGED ASSESSMENT form is available from and should be filed with, the Clerk of the Assessment Appeals Board. You may contact the Clerk's Office at (415) 554-6778 or visit their website at www.sfgov.org/aab for more information on filing an application.

FILING DEADLINES

In general, an APPLICATION FOR CHANGED ASSESSMENT must be filed within sixty (60) days after the Date of Notice (printed above) or the postmark date on the envelope in which the notice was mailed, whichever is later.

An application is considered timely filed if: (1) it is sent by U.S. mail, properly addressed with postage prepaid, postmarked on or before the filing deadline; OR (2) the appeals board is satisfied that the mailing occurred by the filing deadline. If the filing deadline falls on a Saturday, Sunday, or a legal holiday, an application that is mailed and postmarked on the next business day shall be considered timely filed.

BOE-264-AH (P1) REV. 08 (08-10)

COLLEGE EXEMPTION CLAIM

Declaration of property information as of 12:01 a.m., January 1, 2011

This claim must be filed by 5:00 p.m., February 15.

Phil Ting, Assessor-Recorder
Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102
(415) 554-5596

State of California, County of San Francisco

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

FOR ASSESSOR'S USE ONLY

Received by _____ *(Assessor's designee)*

of _____ *(county or city)*

on _____ *(date)*

NAME OF CLAIMANT
Dominic L. Daher, MAcc, JD, LLM

TITLE OF CLAIMANT
Director of Tax

DAYTIME TELEPHONE NUMBER
(415) 422-5124

CORPORATE NAME OF THE COLLEGE
University of San Francisco

ADDRESS *(Street, City, County, State)*
2130 Fulton Street, San Francisco, CA 94117

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION
Various-see attached

1. Does the above institution qualify as a college or seminary of learning under the laws of the State of California?
   ☑ YES ☐ NO

2. Is the institution conducted as a non-profit entity?
   ☑ YES ☐ NO

3. Does the institution require for regular admission the completion of a four-year high school course or its equivalent?
   ☑ YES ☐ NO

4. Does the institution confer upon its graduates at least one academic or professional degree, based on a course of at least two years in liberal arts and sciences, or on a course of at least three years in professional studies, such as law, theology, education, medicine, dentistry, engineering, veterinary medicine, pharmacy, architecture, fine arts, commerce, or journalism?
   ☑ YES ☐ NO

5. Are you claiming the exemption on both the land and buildings?
   ☑ YES ☐ NO

6. Is the property for which the exemption is claimed used **exclusively** for the purposes of education?
   ☑ YES ☐ NO

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF CLAIMANT ▶ Dominic L. Daher

TITLE: Director of Tax

DATE: 2/14/11

E-MAIL ADDRESS
dldaher@usfca.edu

THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION

University of San Francisco roperties in the City and County of Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	9	301 Anza St	Student residence	Owned
8	1107	10	303 Anza St	Student residence	Owned
8	1107	11	305 Anza St	Student residence	Owned
8	1107	12	307 Anza St	Student residence	Owned
8	1107	13	311 Anza St	Student residence	Owned
8	1107	14	313 Anza St	Student residence	Owned
8	1107	15	315 Anza St	Student residence	Owned
8	1107	16	317 Anza St	Student residence	Owned
8	1107	17	301 Anza St	Student residence	Owned
8	1107	18	301 Anza St	Student residence	Owned
8	1107	19	301 Anza St	Student residence	Owned
8	1107	20	301 Anza St	Student residence	Owned
8	1107	21	301 Anza St	Student residence	Owned
8	1107	22	301 Anza St	Student residence	Owned
8	1107	23	301 Anza St	Student residence	Owned
8	1107	24	301 Anza St	Student residence	Owned
8	1107	25	301 Anza St	Student residence	Owned
8	1107	26	301 Anza St	Student residence	Owned
8	1107	27	301 Anza St	Student residence	Owned
8	1107	28	301 Anza St	Student residence	Owned
8	1107	29	301 Anza St	Student residence	Owned
8	1107	30	301 Anza St	Student residence	Owned
8	1107	31	301 Anza St	Student residence	Owned
8	1107	32	301 Anza St	Student residence	Owned
8	1107	33	301 Anza St	Student residence	Owned
8	1107	34	301 Anza St	Student residence	Owned
8	1107	35	301 Anza St	Student residence	Owned
8	1107	36	301 Anza St	Student residence	Owned
8	1107	37	301 Anza St	Student residence	Owned
8	1107	38	301 Anza St	Student residence	Owned
8	1107	39	301 Anza St	Student residence	Owned
8	1107	40	301 Anza St	Student residence	Owned
8	1107	41	301 Anza St	Student residence	Owned
8	1107	42	301 Anza St	Student residence	Owned
8	1107	43	301 Anza St	Student residence	Owned
8	1107	44	301 Anza St	Student residence	Owned
8	1107	45	301 Anza St	Student residence	Owned
8	1107	46	301 Anza St	Student residence	Owned
8	1107	47	301 Anza St	Student residence	Owned
8	1107	48	301 Anza St	Student residence	Owned
8	1107	49	301 Anza St	Student residence	Owned
8	1107	50	301 Anza St	Student residence	Owned
8	1107	51	301 Anza St	Student residence	Owned
8	1107	52	301 Anza St	Student residence	Owned
8	1107	53	301 Anza St	Student residence	Owned
8	1107	54	301 Anza St	Student residence	Owned
8	1107	55	301 Anza St	Student residence	Owned
8	1107	56	301 Anza St	Student residence	Owned
8	1107	57	301 Anza St	Student residence	Owned
8	1107	58	301 Anza St	Student residence	Owned
8	1107	59	301 Anza St	Student residence	Owned
8	1107	60	301 Anza St	Student residence	Owned
8	1107	61	301 Anza St	Student residence	Owned
8	1107	62	301 Anza St	Student residence	Owned
8	1107	63	301 Anza St	Student residence	Owned
8	1107	64	301 Anza St	Student residence	Owned
8	1107	65	301 Anza St	Student residence	Owned
8	1107	66	301 Anza St	Student residence	Owned
8	1107	67	301 Anza St	Student residence	Owned
8	1107	68	301 Anza St	Student residence	Owned
8	1107	69	301 Anza St	Student residence	Owned

University of San Francisco roperties in the City and County of Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	70	301 Anza St	Student residence	Owned
8	1107	71	301 Anza St	Student residence	Owned
8	1107	72	301 Anza St	Student residence	Owned
8	1107	73	301 Anza St	Student residence	Owned
8	1107	74	301 Anza St	Student residence	Owned
8	1107	75	301 Anza St	Student residence	Owned
8	1107	76	301 Anza St	Student residence	Owned
8	1107	77	301 Anza St	Student residence	Owned
8	1107	78	301 Anza St	Student residence	Owned
8	1107	79	301 Anza St	Student residence	Owned
8	1107	80	301 Anza St	Student residence	Owned
8	1107	81	301 Anza St	Student residence	Owned
8	1107	82	301 Anza St	Student residence	Owned
8	1107	83	301 Anza St	Student residence	Owned
8	1107	84	301 Anza St	Student residence	Owned
8	1107	85	301 Anza St	Student residence	Owned
8	1107	86	301 Anza St	Student residence	Owned
8	1107	87	301 Anza St	Student residence	Owned
8	1107	88	301 Anza St	Student residence	Owned
8	1107	89	301 Anza St	Student residence	Owned
8	1107	90	301 Anza St	Student residence	Owned
8	1107	91	301 Anza St	Student residence	Owned
8	1107	92	301 Anza St	Student residence	Owned
8	1107	93	301 Anza St	Student residence	Owned
8	1107	94	301 Anza St	Student residence	Owned
8	1107	95	301 Anza St	Student residence	Owned
8	1107	96	301 Anza St	Student residence	Owned
8	1107	97	301 Anza St	Student residence	Owned
8	1107	98	301 Anza St	Student residence	Owned
8	1107	99	301 Anza St	Student residence	Owned
8	1107	100	301 Anza St	Student residence	Owned
8	1107	101	301 Anza St	Student residence	Owned
8	1107	102	301 Anza St	Student residence	Owned
8	1107	103	301 Anza St	Student residence	Owned
8	1107	104	301 Anza St	Student residence	Owned
8	1107	105	301 Anza St	Student residence	Owned
8	1107	106	301 Anza St	Student residence	Owned
8	1107	107	301 Anza St	Student residence	Owned
8	1107	108	301 Anza St	Student residence	Owned
8	1107	109	301 Anza St	Student residence	Owned
8	1107	110	301 Anza St	Student residence	Owned
8	1107	111	301 Anza St	Student residence	Owned
8	1107	112	301 Anza St	Student residence	Owned
8	1107	113	301 Anza St	Student residence	Owned
8	1107	114	301 Anza St	Student residence	Owned
8	1107	115	301 Anza St	Student residence	Owned
8	1107	116	301 Anza St	Student residence	Owned
8	1107	117	301 Anza St	Student residence	Owned
8	1107	118	301 Anza St	Student residence	Owned
8	1107	119	301 Anza St	Student residence	Owned
8	1107	120	301 Anza St	Student residence	Owned
8	1107	121	301 Anza St	Student residence	Owned
8	1107	122	301 Anza St	Student residence	Owned
8	1107	123	301 Anza St	Student residence	Owned
8	1107	124	301 Anza St	Student residence	Owned
8	1107	125	301 Anza St	Student residence	Owned
8	1107	126	301 Anza St	Student residence	Owned
8	1107	127	301 Anza St	Student residence	Owned
8	1107	128	301 Anza St	Student residence	Owned
8	1107	129	301 Anza St	Student residence	Owned
8	1107	130	301 Anza St	Student residence	Owned

University of San Francisco roperties in the City and County of Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	131	301 Anza St	Student residence	Owned
8	1107	132	301 Anza St	Student residence	Owned
8	1107	133	301 Anza St	Student residence	Owned
8	1107	134	301 Anza St	Student residence	Owned
8	1107	135	301 Anza St	Student residence	Owned
8	1107	136	301 Anza St	Student residence	Owned
8	1107	137	301 Anza St	Student residence	Owned
8	1107	138	301 Anza St	Student residence	Owned
8	1107	139	301 Anza St	Student residence	Owned
8	1107	140	301 Anza St	Student residence	Owned
8	1107	141	301 Anza St	Student residence	Owned
8	1107	142	301 Anza St	Student residence	Owned
8	1107	143	301 Anza St	Student residence	Owned
8	1107	144	301 Anza St	Student residence	Owned
8	1109	3C	239 Masonic Av	Student residence	Owned
8	1138	13	186 Stanyan St	Student residence	Owned
8	1173	18	1982 Fulton St	Student residence	Owned
8	1146	2	25 Chabot Te	Faculty/Staff Housing	Owned
8	1146	4	35 Chabot Te	Faculty/Staff Housing	Owned
8	1146	7	53 Chabot Te	Faculty/Staff Housing	Owned
8	1147	14	28 Chabot Te	Faculty/Staff Housing	Owned
8	1147	15	22 Chabot Te	Faculty/Staff Housing	Owned
8	1147	16	2745 Turk Bl	Faculty/Staff Housing	Owned
8	1170	001	701 Parker Av #100	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #2	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #8	Faculty/Staff Housing	Leased
8	1144	001A	284 Stanyan St	Faculty/Staff Housing	Owned
8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
8	1107	8	2500 Turk Bl	Classrooms and Faculty Offices	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1144	1B	222 Stanyan St	Health and Recreation Center	Owned
8	1144	1	501 Parker Av	Negoesco Athletic Stadium	Owned
23	3548	035	1855 Mission St	Storage Facility Used to Store Campus Supplies	Leased
8	1146	6	47 Chabot Te	Faculty/Staff Housing	Owned

Circle items - No Exemption on 2010 or Exemption Lost on 2010

please Scan
DLC.

BOE-264-AH (P1) REV. 10 (05-12)

RECEIVED
ASSESSOR-RECORDER'S OFFICE
2013 FEB 13 PM 1:59

Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102
www.sfassessor.org (415) 554-5596

COLLEGE EXEMPTION CLAIM

This claim is filed for fiscal year 20 13 - 20 14.
(Example: a person filing a timely claim in January 2011 would enter "2011-2012.")

This claim must be filed by 5:00 p.m., February 15.

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

University of San Francisco
C/O Dominic L. Daher
2130 Fulton Street
San Francisco, CA 94117-1080

FOR ASSESSOR'S USE ONLY

Received by _____ *(Assessor's designee)*

of _____ *(county or city)*

on _____ *(date)*

NAME OF CLAIMANT
Dominic L. Daher, MAcc, JD, LLM

TITLE OF CLAIMANT
Director of Tax

DAYTIME TELEPHONE NUMBER
(415) 422-5124

CORPORATE NAME OF THE COLLEGE
University of San Francisco

ADDRESS *(Street, City, County, State, Zip Code)*
2130 Fulton Street, San Francisco, CA 94117-1080

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION
Various - see attached

DATE PROPERTY WAS FIRST USED BY CLAIMANT
Various

1. Owner and operator: *(check applicable boxes)*
   Claimant is: ☑ Owner and operator ☐ Owner only ☐ Operator only
   and claims exemption on all ☑ Land ☑ Buildings and improvements and/or ☑ Personal property

2. Does the above institution qualify as a college or seminary of learning under the laws of the State of California?
   ☑ YES ☐ NO

3. Is the institution conducted as a non-profit entity?
   ☑ YES ☐ NO

4. Does the institution require for regular admission the completion of a four-year high school course or its equivalent?
   ☑ YES ☐ NO

5. Does the institution confer upon its graduates at least one academic or professional degree, based on a course of at least two years in liberal arts and sciences, or on a course of at least three years in professional studies, such as law, theology, education, medicine, dentistry, engineering, veterinary medicine, pharmacy, architecture, fine arts, commerce, or journalism?
   ☑ YES ☐ NO

6. Is the property for which the exemption is claimed used **exclusively** for the purposes of education?
   ☑ YES ☐ NO

7. List all buildings and other improvements for which exemption is claimed and state the primary and incidental use of each. Attach a separate sheet if necessary. Indicate whether leased or owned.

LOCATIONS	PRIMARY USE	INCIDENTAL USE	
See attached	Education	Education housing	☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN

THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION

BOE-264-AH (P2) REV. 10 (05-12)

8. Has any construction commenced and/or been completed on this parcel since 12:01 a.m., January 1 of last year?
☑ YES ☐ NO If **YES**, please explain:

Miscellaneous repairs and alterations at 22 Chabot Tr, 1186 Stanyan St, 2350 Turk Blvd and 501 Parker Ave. Reroofing at 2745 Turk Blvd.

Miscellaneous construction, repairs and alterations at 2130 Fulton St. Seismic retrofitting improvements at 2001 Grove St. and 284 Stanyan St.

9. Is the property, or a portion thereof, for which an exemption is claimed a student bookstore that generates unrelated business taxable income as defined in section 512 of the Internal Revenue Code?
☐ YES ☑ NO
If **YES**, a copy of the institution's most recent tax return filed with the Internal Revenue Service must accompany this claim. Property taxes, as determined by establishing a ratio of the unrelated business taxable income to the bookstore's gross income, will be levied.

10. Has any of the property listed above been used for business purposes other than a student bookstore?
☐ YES ☑ NO If **YES**, please explain:

11. If the business is operated by someone other than the college, attach a copy of the lease or other agreement. Please explain:

N/A

12. Is any equipment or other property being leased or rented from someone else?
☑ YES ☐ NO
If **YES**, list on a separate sheet the name and address of the owner and the type, make, model, and serial number of the property. If the property listed is not **used exclusively** for educational purposes at the collegiate level, please state the other uses of the property. If real property, provide the name and address of the owner.

The benefit of a property tax exemption must inure to the lessee institution. If taxes paid by the lessor, see section 202.2 of the Revenue and Taxation Code.

ADDITIONAL REQUIRED DOCUMENTATION

- Attach a separate page showing the requirements for admission. A current catalog showing the requirements may be substituted.
- Attach a separate page, or current catalog, listing the degrees conferred upon the graduates and the requirements for each degree.
- Attach a copy of the financial statements (balance sheet and operating statement for the preceding fiscal year.)

Whom should we contact during normal business hours for additional information?

NAME	TITLE
Dominic L. Daher	Director of Tax
DAYTIME TELEPHONE	**EMAIL ADDRESS**
(415) 422-5124	dldaher@usfca.edu

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM	TITLE
▶ Dominic L. Daher	Director of Tax
NAME OF PERSON MAKING CLAIM	**DATE**
Dominic L. Daher	2/12/13

University of San Francisco Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	9	301 Anza St	Student residence	Owned
8	1107	10	303 Anza St	Student residence	Owned
8	1107	11	305 Anza St	Student residence	Owned
8	1107	12	307 Anza St	Student residence	Owned
8	1107	13	311 Anza St	Student residence	Owned
8	1107	14	313 Anza St	Student residence	Owned
8	1107	15	315 Anza St	Student residence	Owned
8	1107	16	317 Anza St	Student residence	Owned
8	1107	17	301 Anza St	Student residence	Owned
8	1107	18	301 Anza St	Student residence	Owned
8	1107	19	301 Anza St	Student residence	Owned
8	1107	20	301 Anza St	Student residence	Owned
8	1107	21	301 Anza St	Student residence	Owned
8	1107	22	301 Anza St	Student residence	Owned
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8	1107	35	301 Anza St	Student residence	Owned
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8	1107	47	301 Anza St	Student residence	Owned
8	1107	48	301 Anza St	Student residence	Owned
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8	1107	61	301 Anza St	Student residence	Owned
8	1107	62	301 Anza St	Student residence	Owned
8	1107	63	301 Anza St	Student residence	Owned
8	1107	64	301 Anza St	Student residence	Owned
8	1107	65	301 Anza St	Student residence	Owned

University of San Francisco Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	66	301 Anza St	Student residence	Owned
8	1107	67	301 Anza St	Student residence	Owned
8	1107	68	301 Anza St	Student residence	Owned
8	1107	69	301 Anza St	Student residence	Owned
8	1107	70	301 Anza St	Student residence	Owned
8	1107	71	301 Anza St	Student residence	Owned
8	1107	72	301 Anza St	Student residence	Owned
8	1107	73	301 Anza St	Student residence	Owned
8	1107	74	301 Anza St	Student residence	Owned
8	1107	75	301 Anza St	Student residence	Owned
8	1107	76	301 Anza St	Student residence	Owned
8	1107	77	301 Anza St	Student residence	Owned
8	1107	78	301 Anza St	Student residence	Owned
8	1107	79	301 Anza St	Student residence	Owned
8	1107	80	301 Anza St	Student residence	Owned
8	1107	81	301 Anza St	Student residence	Owned
8	1107	82	301 Anza St	Student residence	Owned
8	1107	83	301 Anza St	Student residence	Owned
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8	1107	89	301 Anza St	Student residence	Owned
8	1107	90	301 Anza St	Student residence	Owned
8	1107	91	301 Anza St	Student residence	Owned
8	1107	92	301 Anza St	Student residence	Owned
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8	1107	95	301 Anza St	Student residence	Owned
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8	1107	97	301 Anza St	Student residence	Owned
8	1107	98	301 Anza St	Student residence	Owned
8	1107	99	301 Anza St	Student residence	Owned
8	1107	100	301 Anza St	Student residence	Owned
8	1107	101	301 Anza St	Student residence	Owned
8	1107	102	301 Anza St	Student residence	Owned
8	1107	103	301 Anza St	Student residence	Owned
8	1107	104	301 Anza St	Student residence	Owned
8	1107	105	301 Anza St	Student residence	Owned
8	1107	106	301 Anza St	Student residence	Owned
8	1107	107	301 Anza St	Student residence	Owned
8	1107	108	301 Anza St	Student residence	Owned
8	1107	109	301 Anza St	Student residence	Owned
8	1107	110	301 Anza St	Student residence	Owned
8	1107	111	301 Anza St	Student residence	Owned
8	1107	112	301 Anza St	Student residence	Owned
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8	1107	115	301 Anza St	Student residence	Owned
8	1107	116	301 Anza St	Student residence	Owned
8	1107	117	301 Anza St	Student residence	Owned
8	1107	118	301 Anza St	Student residence	Owned
8	1107	119	301 Anza St	Student residence	Owned
8	1107	120	301 Anza St	Student residence	Owned
8	1107	121	301 Anza St	Student residence	Owned
8	1107	122	301 Anza St	Student residence	Owned

University of San Francisco roperties in the City and County n Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	123	301 Anza St	Student residence	Owned
8	1107	124	301 Anza St	Student residence	Owned
8	1107	125	301 Anza St	Student residence	Owned
8	1107	126	301 Anza St	Student residence	Owned
8	1107	127	301 Anza St	Student residence	Owned
8	1107	128	301 Anza St	Student residence	Owned
8	1107	129	301 Anza St	Student residence	Owned
8	1107	130	301 Anza St	Student residence	Owned
8	1107	131	301 Anza St	Student residence	Owned
8	1107	132	301 Anza St	Student residence	Owned
8	1107	133	301 Anza St	Student residence	Owned
8	1107	134	301 Anza St	Student residence	Owned
8	1107	135	301 Anza St	Student residence	Owned
8	1107	136	301 Anza St	Student residence	Owned
8	1107	137	301 Anza St	Student residence	Owned
8	1107	138	301 Anza St	Student residence	Owned
8	1107	139	301 Anza St	Student residence	Owned
8	1107	140	301 Anza St	Student residence	Owned
8	1107	141	301 Anza St	Student residence	Owned
8	1107	142	301 Anza St	Student residence	Owned
8	1107	143	301 Anza St	Student residence	Owned
8	1107	144	301 Anza St	Student residence	Owned
8	1109	3C	239 Masonic Av	Student residence	Owned
8	1138	13	186 Stanyan St	Student residence	Owned
8	1173	18	1982 Fulton St	Student residence	Owned
8	1146	2	25-27 Chabot Te	Faculty/Staff Housing	Owned
8	1146	4	35 Chabot Te	Faculty/Staff Housing	Owned
8	1146	7	53 Chabot Te	Faculty/Staff Housing	Owned
8	1147	14	28 Chabot Te	Faculty/Staff Housing	Owned
8	1147	15	22 Chabot Te	Faculty/Staff Housing	Owned
8	1147	16	2745-2747 Turk Bl	Faculty/Staff Housing	Owned
8	1170	001	701 Parker Av #100	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #2	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #8	Faculty/Staff Housing	Leased
8	1144	001A	284 Stanyan St	Faculty/Staff Housing	Owned
8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
8	1107	8	2500-2698 Turk Bl	Classrooms and Faculty Offices	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1144	1B	222 Stanyan St	Health and Recreation Center	Owned
8	1144	1	501 Parker Av	Negoesco Athletic Stadium	Owned
23	3548	035	1855 Mission St	Storage Facility Used to Store Campus Supplies	Leased
8*	1146	6	47 Chabot Te	Faculty/Staff Housing	Owned
			Business Property Account #034441-001		
8*	1148	8	59-61 Roselyn Ter	Faculty/Staff Housing	Owned

UNIVERSITY OF SAN FRANCISCO

REAL PROPERTY/EQUIPMENT LEASED OR RENTED BY THE UNIVERSITY OF SAN FRANCISCO

EQUIPMENT	QUANTITY	COMPANY
Model #MSPS Serial #0003850	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MSF1 Serical #0004943	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #1W00 Serial #1370515	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MSF1 Serical #0001770	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MPR1 Serical #0005450	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #1W00 Serical #1370552	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323

REAL PROPERTY	OWNER
Arrupe 490 6th Avenue San Francisco, CA	Kaiser Foundation Hospitals 1950 Franklin Street Oakland, CA 94612
701 Parker Avenue #100 San Francisco, CA	Gordon Clifford Realty Inc. 1572 Union Street San Francisco, CA 94123-4505
2001 Grove Street #2 San Francisco, CA	Washington Street Property 152 6th Avenue San Francisco, CA 94118-1326
2001 Grove Street #8 San Francisco, CA	Washington Street Property 152 6th Avenue San Francisco, CA 94118-1326
1855 Mission Street San Francisco	ATM Investments 1135 Trinity Dr Menlo Park, CA 94025-6646

Attachment to San Francisco
Claim for Exemption

CPLKUP E Z - C A M PP INQUIRY
VWILLIAM 06-10-13

SEARCH STRING: UNIVERSITY OF SAN FRANCISCO

	ACCOUNT NO	BUSINESS NAME /OR OWNER NAME	REAL /OR STREET			
✓001	034441001	UNIVERSITY OF SAN FRANCISCO	2130 FULTON ST 0000	VC ✓		
002	034441002	UNIVERSITY OF SAN FRANCISCO	2155 FULTON ST 0000	RETp	CHR	PSS · NTA
003	034441003	UNIVERSITY OF SAN FRANCISCO	101 HOWARD ST 0404	RcTp	BUS	VC ✓
004	034441900	UNIVERSITY OF SAN FRANCISCO	GE CAPITAL CORPORATION	RcTp	LES	PSS : NTA
005	041476001	UNIVERSITY OF SAN FRANCISCO	186 STANYAN ST 0000	RcTp	APT	VC ✓
006	041999001	UNIVERSITY OF SAN FRANCISCO	2001 GROVE ST 0000	RcTp	APT	VC ✓
007	044076001	UNIVERSITY OF SAN FRANCISCO	2701 TURK BLVD 0000	RcTp	INA	PSS · DEL
008	131041001	UNIVERSITY OF SAN FRANCISCO	2130 FULTON ST 0000	"	REF	PSS · NTA
009	181869001	UNIVERSITY OF SAN FRANCISCO	220 MONTGOMERY ST 1050	"	INA	" DEL

OPTION 000

N

Owners list. Enter record number or F12, F13, F3

Printed by BJ 06/10/2013

BOE-264-AH (P1) REV. 09 (02-11)

COLLEGE EXEMPTION CLAIM

Declaration of property information as of 12:01 a.m., January 1, 2012

Phil Ting, Assessor-Recorder
Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102-
(415) 554-5596

This claim must be filed by 5:00 p.m., February 15.

State of California, County of San Francisco

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

University of San Francisco
C/O Dominic L. Daher
2130 Fulton Street
San Francisco, CA 94117-1080

FOR ASSESSOR'S USE ONLY

Received by _____ *(Assessor's designee)*

of _____ *(county or city)*

on _____ *(date)*

NAME OF CLAIMANT
Dominic L. Daher, MAcc, JD, LLM

TITLE OF CLAIMANT
Director of Tax

DAYTIME TELEPHONE NUMBER
(415) 422-5124

CORPORATE NAME OF THE COLLEGE
University of San Francisco

ADDRESS *(Street, City, County, State, Zip Code)*
2130 Fulton Street, San Francisco, CA 94117

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION
Various - see attached

1. Does the above institution qualify as a college or seminary of learning under the laws of the State of California?
   ☑ YES ☐ NO

2. Is the institution conducted as a non-profit entity?
   ☑ YES ☐ NO

3. Does the institution require for regular admission the completion of a four-year high school course or its equivalent?
   ☑ YES ☐ NO

4. Does the institution confer upon its graduates at least one academic or professional degree, based on a course of at least two years in liberal arts and sciences, or on a course of at least three years in professional studies, such as law, theology, education, medicine, dentistry, engineering, veterinary medicine, pharmacy, architecture, fine arts, commerce, or journalism?
   ☑ YES ☐ NO

5. Are you claiming the exemption on both the land and buildings?
   ☑ YES ☐ NO

6. Is the property for which the exemption is claimed used **exclusively** for the purposes of education?
   ☑ YES ☐ NO

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF CLAIMANT ▶ Dom L Daher

TITLE: Director of Tax

DATE: 2/13/12

EMAIL ADDRESS
dldaher@usfca.edu

THIS DOCUMENT IS SUBJECT TO PUBLIC INSPECTION

BOE-264-AH (P2) REV. 09 (02-11)

INSTRUCTIONS AND QUESTIONNAIRE FOR COLLEGE EXEMPTION

Answer each question below, and provide as much detail as you consider necessary to support your claim for an exemption for this property. List all locations used, either owned or leased, where the exemption is to be applied.

1. List all buildings and other improvements for which exemption is claimed and state the primary and incidental use of each. Attach a separate sheet if necessary. Indicate whether leased or owned.

LOCATIONS	PRIMARY USE	INCIDENTAL USE	
See attached	Education	Education housing	☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN

2. Attach a separate page showing the requirements for admission. A current catalog showing the requirements may be substituted.
   See attached and visit http://www.usfca.edu/catalog/
3. Attach a separate page, or current catalog, listing the degrees conferred upon the graduates and the requirements for each degree.
   See attached and visit http://www.usfca.edu/catalog/
4. Attach a copy of the financial statements (balance sheet and operating statement for the preceding fiscal year.)
   See attached financial statements
5. Has any construction commenced and/or been completed on this parcel since 12:01 a.m., January 1 of last year?
   ☑ YES ☐ NO
   If YES, please explain: Renovation work at 28 Chabot Te, 284 Stanyan Street, and 2130 Fulton Street.
6. Is the property, or a portion thereof, for which an exemption is claimed a student bookstore that generates unrelated business taxable income as defined in section 512 of the Internal Revenue Code?
   ☐ YES ☑ NO
   If YES, a copy of the institution's most recent tax return filed with the Internal Revenue Service must accompany this claim. Property taxes, as determined by establishing a ratio of the unrelated business taxable income to the bookstore's gross income, will be levied.
7. Has any of the property listed above been used for business purposes other than a student bookstore?
   ☐ YES ☑ NO
   If YES, please explain:
8. If the business is operated by someone other than the college, attach a copy of the lease or other agreement. Please explain:
   N/A
9. Is any equipment or other property being leased or rented from someone else?
   ☐ YES ☑ NO
   If YES, list on a separate sheet the name and address of the owner and the type, make, model, and serial number of the property. If the property listed is not **used exclusively** for educational purposes at the collegiate level, please state the other uses of the property. If real property, provide the name and address of the owner.

   The benefit of a property tax exemption must inure to the lessee institution. If taxes paid by the lessor, see section 202.2 of the Revenue and Taxation Code.

Whom should we contact for additional information during normal business hours?

NAME	DAYTIME TELEPHONE NUMBER
Dominic L. Daher	(415) 422-5124

ADDRESS *(Street, City, County, State)*
2130 Fulton Street, San Francisco, CA 94117

EMAIL ADDRESS
dldaher@usfca.edu

University of San Francisco - Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	9	301 Anza St	Student residence	Owned
8	1107	10	303 Anza St	Student residence	Owned
8	1107	11	305 Anza St	Student residence	Owned
8	1107	12	307 Anza St	Student residence	Owned
8	1107	13	311 Anza St	Student residence	Owned
8	1107	14	313 Anza St	Student residence	Owned
8	1107	15	315 Anza St	Student residence	Owned
8	1107	16	317 Anza St	Student residence	Owned
8	1107	17	301 Anza St	Student residence	Owned
8	1107	18	301 Anza St	Student residence	Owned
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8	1107	36	301 Anza St	Student residence	Owned
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8	1107	67	301 Anza St	Student residence	Owned
8	1107	68	301 Anza St	Student residence	Owned
8	1107	69	301 Anza St	Student residence	Owned

University of San Francisco - ...erties in the City and County of San ...cisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	70	301 Anza St	Student residence	Owned
8	1107	71	301 Anza St	Student residence	Owned
8	1107	72	301 Anza St	Student residence	Owned
8	1107	73	301 Anza St	Student residence	Owned
8	1107	74	301 Anza St	Student residence	Owned
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8	1107	125	301 Anza St	Student residence	Owned
8	1107	126	301 Anza St	Student residence	Owned
8	1107	127	301 Anza St	Student residence	Owned
8	1107	128	301 Anza St	Student residence	Owned
8	1107	129	301 Anza St	Student residence	Owned
8	1107	130	301 Anza St	Student residence	Owned

University of San Francisco - Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	131	301 Anza St	Student residence	Owned
8	1107	132	301 Anza St	Student residence	Owned
8	1107	133	301 Anza St	Student residence	Owned
8	1107	134	301 Anza St	Student residence	Owned
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8	1107	144	301 Anza St	Student residence	Owned
8	1109	3C	239 Masonic Av	Student residence	Owned
8	1138	13	186 Stanyan St	Student residence	Owned
8	1173	18	1982 Fulton St	Student residence	Owned
8	1146	2	25 Chabot Te	Faculty/Staff Housing	Owned
8	1146	4	35 Chabot Te	Faculty/Staff Housing	Owned
8	1146	7	53 Chabot Te	Faculty/Staff Housing	Owned
8	1147	14	26 Chabot Te	Faculty/Staff Housing	Owned
8	1147	15	22 Chabot Te	Faculty/Staff Housing	Owned
8	1147	16	2745 Turk Bl	Faculty/Staff Housing	Owned
8	1170	001	701 Parker Av #100	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #2	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #8	Faculty/Staff Housing	Leased
8	1144	001A	284 Stanyan St	Faculty/Staff Housing	Owned
8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
8	1107	8	2500 Turk Bl	Classrooms and Faculty Offices	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1144	1B	222 Stanyan St	Health and Recreation Center	Owned
8	1144	1	501 Parker Av	Negoesco Athletic Stadium	Owned
23	3548	035	1855 Mission St	Storage Facility Used to Store Campus Supplies	Leased
8	1146	6	47 Chabot Te	Faculty/Staff Housing	Owned
			Business Property Account #034441-001		
8	1148	8	59-61 Roselyn Ter	Faculty/Staff Housing	Owned

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BOE-264-AH (P1) REV. 10 (05-12)

COLLEGE EXEMPTION CLAIM

This claim is filed for fiscal year 20 14 - 20 15.
(Example: a person filing a timely claim in January 2011 would enter "2011-2012.")

This claim must be filed by 5:00 p.m., February 15.

Carmen Chu, Assessor-Recorder
Office of the Assessor-Recorder
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 190
San Francisco, CA 94102
www.sfassessor.org (415) 554-5596

CLAIMANT NAME AND MAILING ADDRESS
(Make necessary corrections to the printed name and mailing address)

University of San Francisco
C/O Dominic L. Daher
2130 Fulton Street
San Francisco, CA 94117-1080

FOR ASSESSOR'S USE ONLY

Received by _____ *(Assessor's designee)*

of _____ *(county or city)*

on _____ *(date)*

NAME OF CLAIMANT
Dominic L. Daher, MAcc, JD, LLM

TITLE OF CLAIMANT	DAYTIME TELEPHONE NUMBER
Director of Tax	(415) 422-5124

CORPORATE NAME OF THE COLLEGE
University of San Francisco

ADDRESS *(Street, City, County, State, Zip Code)*
2130 Fulton Street, San Francisco, CA 94117-1080

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION	DATE PROPERTY WAS FIRST USED BY CLAIMANT
Various - see attached	Various

1. Owner and operator: *(check applicable boxes)*
   Claimant is: ☑ Owner and operator ☐ Owner only ☐ Operator only
   and claims exemption on all ☑ Land ☑ Buildings and improvements and/or ☑ Personal property

2. Does the above institution qualify as a college or seminary of learning under the laws of the State of California?
   ☑ YES ☐ NO

3. Is the institution conducted as a non-profit entity?
   ☑ YES ☐ NO

4. Does the institution require for regular admission the completion of a four-year high school course or its equivalent?
   ☑ YES ☐ NO

5. Does the institution confer upon its graduates at least one academic or professional degree, based on a course of at least two years in liberal arts and sciences, or on a course of at least three years in professional studies, such as law, theology, education, medicine, dentistry, engineering, veterinary medicine, pharmacy, architecture, fine arts, commerce, or journalism?
   ☑ YES ☐ NO

6. Is the property for which the exemption is claimed used exclusively for the purposes of education?
   ☑ YES ☐ NO

7. List all buildings and other improvements for which exemption is claimed and state the primary and incidental use of each. Attach a separate sheet if necessary. Indicate whether leased or owned.

LOCATIONS	PRIMARY USE	INCIDENTAL USE	
See attached	Education	Education housing	☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN
			☐ LEASE ☐ OWN

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8. Has any construction commenced and/or been completed on this parcel since 12:01 a.m., January 1 of last year?
☑ YES ☐ NO If YES, please explain:

Miscellaneous repairs and alterations at 2350 Turk Blvd.

Miscellaneous construction, repairs and alterations at 2130 Fulton Street. Completed seismic retrofitting improvements at 2001 Grove Street.

9. Is the property, or a portion thereof, for which an exemption is claimed a student bookstore that generates unrelated business taxable income as defined in section 512 of the Internal Revenue Code?
☐ YES ☑ NO
If YES, a copy of the institution's most recent tax return filed with the Internal Revenue Service must accompany this claim. Property taxes, as determined by establishing a ratio of the unrelated business taxable income to the bookstore's gross income, will be levied.

10. Has any of the property listed above been used for business purposes other than a student bookstore?
☐ YES ☑ NO If YES, please explain:

11. If the business is operated by someone other than the college, attach a copy of the lease or other agreement. Please explain:

N/A

12. Is any equipment or other property being leased or rented from someone else?
☑ YES ☐ NO
If YES, list on a separate sheet the name and address of the owner and the type, make, model, and serial number of the property. If the property listed is not **used exclusively** for educational purposes at the collegiate level, please state the other uses of the property. If real property, provide the name and address of the owner.

The benefit of a property tax exemption must inure to the lessee institution. If taxes paid by the lessor, see section 202.2 of the Revenue and Taxation Code.

ADDITIONAL REQUIRED DOCUMENTATION

- Attach a separate page showing the requirements for admission. A current catalog showing the requirements may be substituted.
- Attach a separate page, or current catalog, listing the degrees conferred upon the graduates and the requirements for each degree.
- Attach a copy of the financial statements (balance sheet and operating statement for the preceding fiscal year.)

Whom should we contact during normal business hours for additional information?

NAME	TITLE
Dominic L. Daher	Director of Tax
DAYTIME TELEPHONE	**EMAIL ADDRESS**
(415) 422-5124	dldaher@usfca.edu

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge and belief.

SIGNATURE OF PERSON MAKING CLAIM ▶	TITLE
Dominic L. Daher	Director of Tax
NAME OF PERSON MAKING CLAIM	**DATE**
Dominic L. Daher	2/10/14

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University of San Francisco - Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	9	301 Anza St	Student residence	Owned
8	1107	10	303 Anza St	Student residence	Owned
8	1107	11	305 Anza St	Student residence	Owned
8	1107	12	307 Anza St	Student residence	Owned
8	1107	13	311 Anza St	Student residence	Owned
8	1107	14	313 Anza St	Student residence	Owned
8	1107	15	315 Anza St	Student residence	Owned
8	1107	16	317 Anza St	Student residence	Owned
8	1107	17	301 Anza St	Student residence	Owned
8	1107	18	301 Anza St	Student residence	Owned
8	1107	19	301 Anza St	Student residence	Owned
8	1107	20	301 Anza St	Student residence	Owned
8	1107	21	301 Anza St	Student residence	Owned
8	1107	22	301 Anza St	Student residence	Owned
8	1107	23	301 Anza St	Student residence	Owned
8	1107	24	301 Anza St	Student residence	Owned
8	1107	25	301 Anza St	Student residence	Owned
8	1107	26	301 Anza St	Student residence	Owned
8	1107	27	301 Anza St	Student residence	Owned
8	1107	28	301 Anza St	Student residence	Owned
8	1107	29	301 Anza St	Student residence	Owned
8	1107	30	301 Anza St	Student residence	Owned
8	1107	31	301 Anza St	Student residence	Owned
8	1107	32	301 Anza St	Student residence	Owned
8	1107	33	301 Anza St	Student residence	Owned
8	1107	34	301 Anza St	Student residence	Owned
8	1107	35	301 Anza St	Student residence	Owned
8	1107	36	301 Anza St	Student residence	Owned
8	1107	37	301 Anza St	Student residence	Owned
8	1107	38	301 Anza St	Student residence	Owned
8	1107	39	301 Anza St	Student residence	Owned
8	1107	40	301 Anza St	Student residence	Owned
8	1107	41	301 Anza St	Student residence	Owned
8	1107	42	301 Anza St	Student residence	Owned
8	1107	43	301 Anza St	Student residence	Owned
8	1107	44	301 Anza St	Student residence	Owned
8	1107	45	301 Anza St	Student residence	Owned
8	1107	46	301 Anza St	Student residence	Owned
8	1107	47	301 Anza St	Student residence	Owned
8	1107	48	301 Anza St	Student residence	Owned
8	1107	49	301 Anza St	Student residence	Owned
8	1107	50	301 Anza St	Student residence	Owned
8	1107	51	301 Anza St	Student residence	Owned
8	1107	52	301 Anza St	Student residence	Owned
8	1107	53	301 Anza St	Student residence	Owned
8	1107	54	301 Anza St	Student residence	Owned
8	1107	55	301 Anza St	Student residence	Owned
8	1107	56	301 Anza St	Student residence	Owned
8	1107	57	301 Anza St	Student residence	Owned
8	1107	58	301 Anza St	Student residence	Owned
8	1107	59	301 Anza St	Student residence	Owned
8	1107	60	301 Anza St	Student residence	Owned
8	1107	61	301 Anza St	Student residence	Owned
8	1107	62	301 Anza St	Student residence	Owned
8	1107	63	301 Anza St	Student residence	Owned
8	1107	64	301 Anza St	Student residence	Owned
8	1107	65	301 Anza St	Student residence	Owned

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University of San Francisco - Properties in the City and County of San Francisco

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	66	301 Anza St	Student residence	Owned
8	1107	67	301 Anza St	Student residence	Owned
8	1107	68	301 Anza St	Student residence	Owned
8	1107	69	301 Anza St	Student residence	Owned
8	1107	70	301 Anza St	Student residence	Owned
8	1107	71	301 Anza St	Student residence	Owned
8	1107	72	301 Anza St	Student residence	Owned
8	1107	73	301 Anza St	Student residence	Owned
8	1107	74	301 Anza St	Student residence	Owned
8	1107	75	301 Anza St	Student residence	Owned
8	1107	76	301 Anza St	Student residence	Owned
8	1107	77	301 Anza St	Student residence	Owned
8	1107	78	301 Anza St	Student residence	Owned
8	1107	79	301 Anza St	Student residence	Owned
8	1107	80	301 Anza St	Student residence	Owned
8	1107	81	301 Anza St	Student residence	Owned
8	1107	82	301 Anza St	Student residence	Owned
8	1107	83	301 Anza St	Student residence	Owned
8	1107	84	301 Anza St	Student residence	Owned
8	1107	85	301 Anza St	Student residence	Owned
8	1107	86	301 Anza St	Student residence	Owned
8	1107	87	301 Anza St	Student residence	Owned
8	1107	88	301 Anza St	Student residence	Owned
8	1107	89	301 Anza St	Student residence	Owned
8	1107	90	301 Anza St	Student residence	Owned
8	1107	91	301 Anza St	Student residence	Owned
8	1107	92	301 Anza St	Student residence	Owned
8	1107	93	301 Anza St	Student residence	Owned
8	1107	94	301 Anza St	Student residence	Owned
8	1107	95	301 Anza St	Student residence	Owned
8	1107	96	301 Anza St	Student residence	Owned
8	1107	97	301 Anza St	Student residence	Owned
8	1107	98	301 Anza St	Student residence	Owned
8	1107	99	301 Anza St	Student residence	Owned
8	1107	100	301 Anza St	Student residence	Owned
8	1107	101	301 Anza St	Student residence	Owned
8	1107	102	301 Anza St	Student residence	Owned
8	1107	103	301 Anza St	Student residence	Owned
8	1107	104	301 Anza St	Student residence	Owned
8	1107	105	301 Anza St	Student residence	Owned
8	1107	106	301 Anza St	Student residence	Owned
8	1107	107	301 Anza St	Student residence	Owned
8	1107	108	301 Anza St	Student residence	Owned
8	1107	109	301 Anza St	Student residence	Owned
8	1107	110	301 Anza St	Student residence	Owned
8	1107	111	301 Anza St	Student residence	Owned
8	1107	112	301 Anza St	Student residence	Owned
8	1107	113	301 Anza St	Student residence	Owned
8	1107	114	301 Anza St	Student residence	Owned
8	1107	115	301 Anza St	Student residence	Owned
8	1107	116	301 Anza St	Student residence	Owned
8	1107	117	301 Anza St	Student residence	Owned
8	1107	118	301 Anza St	Student residence	Owned
8	1107	119	301 Anza St	Student residence	Owned
8	1107	120	301 Anza St	Student residence	Owned
8	1107	121	301 Anza St	Student residence	Owned
8	1107	122	301 Anza St	Student residence	Owned

University of San Francisco - Properties in the City and County of San Francisco FEB 18 ENT'D

Vol	Block No.	Lot No.	Property Location	Primary Use	Owned or Leased
8	1107	123	301 Anza St	Student residence	Owned
8	1107	124	301 Anza St	Student residence	Owned
8	1107	125	301 Anza St	Student residence	Owned
8	1107	126	301 Anza St	Student residence	Owned
8	1107	127	301 Anza St	Student residence	Owned
8	1107	128	301 Anza St	Student residence	Owned
8	1107	129	301 Anza St	Student residence	Owned
8	1107	130	301 Anza St	Student residence	Owned
8	1107	131	301 Anza St	Student residence	Owned
8	1107	132	301 Anza St	Student residence	Owned
8	1107	133	301 Anza St	Student residence	Owned
8	1107	134	301 Anza St	Student residence	Owned
8	1107	135	301 Anza St	Student residence	Owned
8	1107	136	301 Anza St	Student residence	Owned
8	1107	137	301 Anza St	Student residence	Owned
8	1107	138	301 Anza St	Student residence	Owned
8	1107	139	301 Anza St	Student residence	Owned
8	1107	140	301 Anza St	Student residence	Owned
8	1107	141	301 Anza St	Student residence	Owned
8	1107	142	301 Anza St	Student residence	Owned
8	1107	143	301 Anza St	Student residence	Owned
8	1107	144	301 Anza St	Student residence	Owned
8	1107	6	2350 Turk Bl	Classrooms and Faculty Offices	Owned
8	1107	8	2500-2698 Turk Bl	Classrooms and Faculty Offices	Owned
8	1109	3C	239 Masonic Av	Student residence	Owned
8	1138	13	186 Stanyan St	Student residence	Owned
8	1144	1	501 Parker Av	Negoesco Athletic Stadium	Owned
8	1144	001A	284 Stanyan St	Faculty/Staff Housing	Owned
8	1144	1B	222 Stanyan St	Health and Recreation Center	Owned
8	1145	3	2130 Fulton St	Classrooms and Faculty Offices	Owned
8	1146	2	25-27 Chabot Te	Faculty/Staff Housing	Owned
8	1146	4	35 Chabot Te	Faculty/Staff Housing	Owned
8	1146	6	47 Chabot Te	Faculty/Staff Housing	Owned
8	1146	7	53 Chabot Te	Faculty/Staff Housing	Owned
8	1147	14	28 Chabot Te	Faculty/Staff Housing	Owned
8	1147	15	22 Chabot Te	Faculty/Staff Housing	Owned
8	1147	16	2745-2747 Turk Bl	Faculty/Staff Housing	Owned
8	1148	8	59-61 Roselyn Ter	Faculty/Staff Housing	Owned
8	1170	001	701 Parker Av #100	Faculty/Staff Housing	Leased
8	1173	18	1982 Fulton St	Student residence	Owned
9	1190	1	2195 Fulton St	Classrooms and Faculty Offices	Owned
9	1194	001	2001 Grove St #2	Faculty/Staff Housing	Leased
9	1194	001	2001 Grove St #8	Faculty/Staff Housing	Leased
23	3548	035	1855 Mission St	Storage Facility Used to Store Campus Supplies	Leased

Business Property Account #034441-001

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REAL PROPERTY/EQUIPMENT LEASED OR RENTED BY THE UNIVERSITY OF SAN FRANCISCO

EQUIPMENT	QUANTITY	COMPANY
Model #MSPS Serial #0003850	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MSF1 Serical #0004943	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #1W00 Serial #1370515	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MSF1 Serical #0001770	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #MPR1 Serical #0005450	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323
Model #1W00 Serical #1370552	1	Pitney Bowes Global Financial 1305 Executive Blvd Ste 200 Chesapeake, VA 23323

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REAL PROPERTY	OWNER
490 6th Avenue San Francisco, CA	Kaiser Foundation Hospitals 1800 Harrison Street, 19th Floor Oakland, CA 94612-3466
701 Parker Avenue #100 San Francisco, CA	Gordon Clifford Realty Inc. 1572 Union Street San Francisco, CA 94123-4505
2001 Grove Street #2 San Francisco, CA	Washington Street Property 152 6th Avenue San Francisco, CA 94118-1326
2001 Grove Street #8 San Francisco, CA	Washington Street Property 152 6th Avenue San Francisco, CA 94118-1326
1855 Mission Street San Francisco, CA	ATM Investments 1135 Trinity Dr Menlo Park, CA 94025-6646
920 Mason Street San Francisco, CA	The Presidio Trust C/O Cb Richard Ellis Inc PO Box 29546 San Francisco, CA 94129-0546
281 Masonic Ave. San Francisco, CA	Sisters of the Presentation 2340 Turk Blvd San Francisco, CA 94118-4340

Attachment to San Francisco
Claim for Exemption

FROM:
Mary Miles, Attorney at Law (SB #230395)
364 Page St., #36
San Francisco, CA 94102
(415) 863-2310

TO:
Chair Malia Cohen, Jane Kim, Scott Wiener, Members, and Andrea Ausberry, Clerk of the San Francisco Board of Supervisors Land Use and Transportation Committee ("LUC")
Legislative Chamber, Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

DATE: September 28, 2015

RE: Public Comment: LUC Meeting of September 28, 2015, Agenda Item 2 [File No. 150790 Establishing a New Citywide Transportation Sustainability Fee ("TSF")]

This letter is public comment opposing adoption of the proposed ordinance legislating a "Transportation Sustainability Fee" ("the Project"). Please distribute this letter to Members of the Land Use and Transportation Committee and place a copy in all applicable files on the Project. The proposed ordinance should be rejected for the following reasons, along with those described in my previous comments.

1. The TSF Is a Project Under CEQA and NEPA.

The proposed legislation incorrectly concludes that the TSF is not a "project" under the California Environmental Quality Act (CEQA, Pub. Res. Code ["PRC"] §21000 *et seq.*; 14 Cal. Code Regs. ["Guidelines"] §15378(b)(4) ["The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment"].)

The proposed TSF does not fall within an exception in Guidelines §15378(b)(4), because it is targeted toward specific projects and categories of projects in San Francisco ("City"), and proposes using funding for selected neighborhood projects and grandfathering other specific projects already approved. In fact, the proposed TSF is a project under Guidelines §15378(a), since it proposes to partially "mitigate" the admitted transportation impacts of City's deregulated overdevelopment. (*Ibid.*; *California Native Plant Society v. County of El Dorado ["CNPS"]* (2009) 170 Cal.App.4th 1026, 1030, 1049 [fee mitigation program must "pass CEQA muster"]; and 1055 ["must be tied to a functioning mitigation program"]; *Center for Sierra Nevada Conservation v. County of El Dorado* (2012) 202 Cal.App.4th 1156, 1180 [fee program must be reviewed under CEQA].)

The Project clearly has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is an activity directly undertaken by a public agency, since it proposes physical changes to City streets that will increase traffic congestion, lessen roadway capacity. The Project will clearly have significant impacts on traffic, transit, parking, air quality, and land use by collecting a

"mitigation fee" from developers to fund projects that increase traffic congestion and eliminate parking. Since the proposed fee does not mitigate the transportation and other impacts of unregulated development throughout the City, it violates both CEQA and the National Environmental Policy Act ("NEPA"). (*Ibid.,* and, *e.g., City of San Diego v. Board of Trustees of the California State University ["City of San Diego"]* (2015) 61 Cal.4th 945.)

2. The Project Violates the Requirements of *Nollan/Dolan and Ehrlich.*

The Project also violates the nexus and rough proportionality requirements of the California and United States Constitutions set out in *Nollan v. California Coastal Commission* (1987) *["Nollan"]* 483 U.S. 825; *Dolan v. City of Tigard ["Dolan"]* (1994) 512 U.S. 374; and *Ehrlich v. City of Culver City ["Ehrlich"]*(1996) 12 Cal.4th 854.)

The Project proposes imposing a selective development fee generating $1.2 billion over 30 years, including $430 million in "net new revenue," plus "an additional $14 million a year in revenue." (9/10/15 "Planning Commission Executive Summary," p. 11.) The Project is not applied with an even hand to all developments, since it exempts some projects, requires additional fees from developments within areas with "community plans," and proposes spending the fees collected in different proportions in various areas. (Proposed Ordinance §§411.4, 411A.3, 411A.5, 411A.64, 411A.6B, 411A.7; "San Francisco Transportation Sustainability Fee (TSF) Nexus Study," May 2015 ["Nexus Study"], p. 12-13.)

The $1.2 billion development fee imposed on residential projects and other developments citywide would be spent on "transit," including the Geary Boulevard Bus Rapid Transit ("BRT") project and other BRT projects , and the "Complete Streets (Bicycle and Pedestrian Improvements)" of the Municipal Transportation Agency ("MTA") (Nexus Study, p.32-35, 57, 60-66), an open-ended menu of selected anti-car projects designed to eliminate traffic lanes and parking, and create physical obstructions to vehicle travel on City streets. (*Id.*)

Here, *not a penny* of the spending of the TSF millions is proposed to mitigate the real impacts of City's deregulated overdevelopment. Instead, City proposes another windfall to the MTA for more of the same projects that do nothing to mitigate the obvious transportation impacts of growth and development on City streets and the air quality, GHG, and noise impacts of increased congestion.

The Project also unlawfully eliminates *accounting* requirements for the additional developer fees in areas with "community plans" such as City's "Market-Octavia Plan" project, which includes the "Van Ness Downtown Residential SUD." It does not do away with the development fees legislated with those projects but adds the TSF as an additional fee. (Ordinance, §§411A.3, 421.7,422 - 424.1; see, *e.g., CNPS, supra,* 170 Cal.App.4th at p.1050; Gov. Code §66006. City would thus require *no accounting* of developer fees collected for the deregulated, uncontrolled development of the Market-Octavia Plan area, even though that project has led to 24-hour congestion and peak hour gridlock on Octavia Boulevard, freeway ingress and egress, and many neighborhood streets. The Market-Octavia development "mitigation" fee did nothing to mitigate the transportation impacts from the Market-Octavia Plan, and none of the required annual or five-year reports has shed light on money collected or spent from that fee.

3. The Transportation Sustainability Program ("TSP") of which the TSF Is Part, Proposes *Eliminating* Analysis and Mitigation of Transportation Impacts

The TSF Project is part of the greater Transportation Sustainability Program ("TSP"), which proposes *eliminating* the critical need to analyze and *mitigate* the significant

transportation, air quality, noise, land use, and other impacts from unregulated development under CEQA. Thus the TSF's claimed purpose of collecting fees to *mitigate* transportation impacts is a sham and contradicts City's purported goal of such mitigation, since it actually plans on exempting itself from mitigating the transportation impacts of City's runaway growth and development.

According to the September 10, 2015 Planning Commission "Executive Summary" ("ES") and the "Transportation Sustainability Fee: Economic Feasibility Study, Spring 2015" ("EFS"), the TSP proposes replacing the Level of Service (LOS) analysis of transportation impacts with a Vehicle Miles Traveled ("VMT") methodology. That action would effectively exempt San Francisco from *all* analysis and mitigation of transportation impacts, since VMT on projects in San Francisco would be less than a "regional average" arbitrarily set as the standard for a significant transportation impact under the proposed VMT methodology. (EFS, pp.19-20) [1]

By eliminating analysis and mitigation of transportation impacts of *all* development in the City, the TSP would also unlawfully insulate City from analyzing the cumulative transportation impacts of development projects that generate commuter and other traffic to and from areas outside the City. Since the larger TSP involves the proposed elimination of effective standards for measuring transportation impacts, it violates CEQA and NEPA. (See also, this commenter's September 10, 2015 Public Comment to the Planning Commission, which is missing from the packet transmitted to this Committee.)

The proposed changes to the CEQA Guidelines have not yet been approved at the state level, and the TSF thus proceeds based on unsupported speculation that the CEQA Guidelines may someday authorize the TSP and its proposed exemption of all projects from CEQA. The City does not have authority to change CEQA's requirements. Further, City may not retroactively apply amendments of the CEQA Guidelines to residential development projects with development or environmental review applications filed before the effective date of the ordinance (*e.g.*, proposed Ordinance §411A.3(d -f)), or to any other project not previously authorized by a state amendment to the CEQA Guidelines. (Guidelines, §15007 ["Amendments to the guidelines apply prospectively only."].)

By segregating the TSF from other features of the TSP, especially the VMT strategy, City hopes to escape the requirements of *Nollan, Dolan, Ehrlich*, CEQA, and NEPA, but it cannot:

---

[1] In the larger TSP, City proposes to substitute a VMT methodology for the standard Level of Service ("LOS") methodology for measuring traffic impacts of private development and its own projects. Even if such authority existed, analyzing only a project's VMT would result in a piecemealed and evasive analysis that completely ignores a project's cumulative transportation impacts when combined with other projects. Public transportation projects would also be improperly exempted from environmental review, since they would not generate any VMT, regardless of how much congestion they cause, including "road diets," traffic lane and parking elimination, "bicycle improvements," "pedestrian improvements," BRT's, and other public projects with significant impacts on traffic, transit, parking, air quality, and noise. Not coincidentally, the TSF proposes to fund such projects without CEQA review, even though they are already lavishly funded. While San Francisco proposes to abnegate its greater regional responsibility by ignoring cumulative impacts, it may not lawfully do so under CEQA and NEPA. Further, CEQA's statutory revision at PRC §21099 *on which City relies* does not excuse City from accurately analyzing transportation impacts and indeed reinforces CEQA's requirements to analyze and mitigate transportation impacts, including the impacts of congestion on air quality, noise, safety, "or any other impact associated with transportation." City's scheme thus plainly fails to comply with CEQA's provision that it claims supports its strategy. (See also, *e.g.*, Cal. Gov. Code §11342.2.)

The proposed legislation before you is not reasonably related to the actual transportation impacts or mitigation of transportation impacts from development and does not comply with the requirements of *Nollan, Dolan*, and *Ehrlich*.

4. The MTA's TDM Program Excludes the Vast Majority of Travelers Who Travel by Car

Public agencies have a duty under both CEQA and NEPA to avoid or minimize environmental damage, not cause more of it. (*e.g.,* Guidelines, §15021.)

Here, "[f]ee revenues would be collected by the Planning Department and then routed to the SFMTA to be allocated through an interagency process that will be outlined in a Memorandum of Understanding, currently being developed." (9/10/15 Planning Commission ES, p.12.) The proposed "key" expenditures are described as "Transit capital and operational investments (Central Subway, Muni Forward, Bus Rapid Transit Projects, etc.)"; "Bicycle infrastructure (protected lanes, parking, etc.)"; and "Pedestrian safety (Vision Zero, Walk First, etc.)." (*Id.*, p.2.)

Under the proposal adopted by the MTA Board on September 1, 2015, the TSF, which is suddenly shifted to the "Transportation Demand Management" ["TDM"] Program, proposes allowing developers to choose from a menu of "TDM options" when "designing their projects." (9/1/15 MTA Board Packet, p.5.) Someone not identified would then quantify the "efficacy or effectiveness of some these [sic] options at different locations in San Francisco." (*Id.*) Someone also not identified would then determine "that developers are implementing the measure they committed to and the program is effective." (*Id.*)

The "menu options" would include such ineffective measures as "Subsidize Transit Passes," "Subsidize Bike Share or Car Share Membership," "Hire TDM Coordinator," "Shuttle or Vanpool Service," Reduce On-site Parking Supply," "Provide Delivery Service," "Sponsor Bike-share Stations," "Commute Reduction Programs," and "Charge for Parking/Parking Pricing." (9/1/15 MTA Board Packet, p.5.) The 9/1/15 MTA Board packet admits that the city is still "working on the technical details of the program, including quantifying the efficacy of some of the above-listed measures." (*Id.*)

The TSF should not be approved without quantifying the efficacy of all of the proposed measures, and without those "technical details" about that "efficacy" of all of the proposed "measures," since such approval would violate both CEQA and NEPA. City may not use alleged mitigation measures to exempt itself from CEQA. Moreover, the measures described for mitigating significant impacts must be effective and enforceable, with those features supported by substantial evidence.

Further, City may not selectively allocate public funding for bicycle and other projects that benefit only a small percentage of travelers using existing infrastructure, since such funding would not satisfy CEQA, NEPA, or the California and United States Constitutions. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.)

5. The TSF May Not Selectively Use Developer Fee Revenue, or Ignore Mitigating Transportation Impacts on the Vast Majority of City Travelers and Infrastructure Users

CEQA limits any agency applying fees to the nexus and rough proportionality requirements of the California and United States Constitutions. (Guidelines §15041; *Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.) The TSF clearly does not comply with these requirements, since City's proposed fees do not meet the nexus and rough proportionality requirements that apply to any developer fee imposed to

mitigate the impacts of development, including those purportedly to remedy transportation impacts caused by development in the City. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th at pp. 865, 874-885, 899-901, 907, 912; *San Remo Hotel v. City and County of San Francisco* (2002) 27 Cal.4th 643, 671; *Koontz v. St. Johns River Water Mgmt. Dist.* (2013) 133 S.Ct. 2586; *California Building Industry Assn. v. City of San Jose* (2015) 61 Cal.4th 435, 458 [under *Koontz,* the *Nollan-Dolan* test applies not only when the government conditions approval of a land use permit on the property owner's dedication of a portion of the property for public use but also when it conditions approval of such a permit on the owner's payment of money.].)

The proposed uses of the TSF fees are not rationally related to the transportation impacts from development, and they are disproportionate to those impacts. For example, no mitigation is proposed for impacts on traffic for those who use the mode of travel chosen by the vast majority of City commuters, residents, and travelers, the automobile. Instead, the TSF Project proposes using its fees to degrade traffic and vehicle travel or to force people to not travel by car. The fees also bear no rational relation to mitigating air quality impacts, since they instead propose *increasing* congestion, thus also degrading air quality and increasing GHG impacts. There is no evidence of any impacts on bicycling from development; yet millions are proposed to "mitigate" such nonexistent impacts. (*Home Builders Assn. of Tulare/Kings Counties, Inc. v. City of Lemoore* (2010) 185 Cal.App.4th 554, 572 [invalidating fees imposed as not reasonably related to impacts of development.)

6. No Evidence Supports More Funding for MTA's Irresponsible and Unaccountable Performance

The MTA has never met the transit performance measures legislated in the Proposition A (November, 1999) Charter Amendment as a condition of giving that agency complete control of transportation in San Francisco. In spite of the billions it has recently received in bonds and other funding, the MTA cannot live up to its own standards for transit, much less accommodate the needs of another 100,000 or more new residents invited to reside and commute to and from San Francisco by City's unregulated development. Indeed, the MTA recently announced that it needed another $123 *billion* just to keep buses running. The TSF contains *no* mention of repairing or improving the City's third-world pitted streets for the more than two million daily drivers. Again, *not a penny* of the TSF before you is proposed to improve conditions or mitigate impacts of increased traffic from development on the vast majority of travelers. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich, supra,* 12 Cal.4th 854.)

City's unsupported fantasy that pouring more money into the MTA trough for bicycle and pedestrian "improvements" that hinder and obstruct motorized traffic will motivate people to abandon cars has proven futile for the entire 44 years of City's "Transit First" rhetoric. According to City's own data and the United States census, the vast majority of travelers still use automobiles as their preferred mode of travel in San Francisco and the greater Bay Area and will continue to do so. (*Nollan, supra,* 483 U.S. 825; *Dolan, supra,* 512 U.S. 374; *Ehrlich,* 12 Cal.4th 854.)

The City's deregulation of residential development is transforming San Francisco into an overcrowded bedroom community for tech industries with those employees often commuting 50 miles or more daily to live in unregulated, densified residential structures in overdeveloped areas of the City. At the same time, employment hubs in overdeveloped downtown, Civic Center, mid-Market, and other areas generate massively increased commuter traffic and transit use.

Even though the Project Nexus Study acknowledges some of the real transportation impacts of City's unregulated development, the TSF does nothing to actually mitigate those impacts.

The duty of the Board of Supervisors and this committee is to serve the public, meaning *all* of the public, including the majority of travelers who use automobiles, not just small, special interest groups like bicyclists who comprise less than four percent of San Francisco travelers. The TSF is of regional and statewide importance, since it will significantly affect traffic throughout the City and the region.

The proposed legislation should be rejected.

Mary Miles

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Monday, October 05, 2015 10:37 AM
To: BOS-Supervisors; Somera, Alisa (BOS); Young, Victor; Evans, Derek
Subject: FW: File No 150790 - Support for higher Transportation Sustainability Fee

From: Pd Pd [mailto:pdpd71@netscape.net]
Sent: Friday, October 02, 2015 9:06 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: re: File No 150790 - Support for higher Transportation Sustainability Fee

I am a lifelong Bernal Heights, San Francisco resident and I support the Transportation Sustainability Fee.

Peter DiStefano

Evans, Derek

From: Board of Supervisors, (BOS)
Sent: Monday, October 05, 2015 10:41 AM
To: Young, Victor; Evans, Derek; Somera, Alisa (BOS)
Subject: FW: File No 150790/Agenda Item 3 10/5/15 - Support for higher Transportation Sustainability Fee

From: Alice Rogers [mailto:arcomnsf@pacbell.net]
Sent: Sunday, October 04, 2015 4:01 PM
To: Kim, Jane (BOS) <jane.kim@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Cohen, Malia (BOS) <malia.cohen@sfgov.org>
Cc: Yadegar, Danny (BOS) <danny.yadegar@sfgov.org>; Nicole Ferrara <nicole@walksf.org>; Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: re: File No 150790/Agenda Item 3 10/5/15 - Support for higher Transportation Sustainability Fee

Honorable Supervisors Wiener, Kim and Cohen comprising the Land Use and Transportation Committee,

Please, **please do not repeat the short-sighted thinking of your predecessors** by kicking transportation and safer street funding down the road for some future generation to grapple with. Your own City staff has acknowledged decades of insufficient transportation infrastructure funding leading to the current $6 billion deficit and a transit and street system completely unable to support current density and planned growth.

I ask you to **support the maximum politically feasible transportation fee increase, and in no circumstance less than the 33% rate** requested by the consortium of transit/pedestrian/bicycle/affordable housing advocates who have addressed their very considered recommendations to committees and commissions throughout the hearings on this issue. Anything less, including the staff recommendations and the sponsors' draft language is woefully inadequate and simply maintains the status quo on the streets.

Further, the legislation must be more nuanced. Please support the recommendations as proposed by Walk San Francisco and their fellow advocates which include:

- **Development must pay for a greater share of its impacts on the transportation system (with tiering** so smaller, lower profit projects pay less than larger, high-profit projects); currently, developers pay for no more than 25% of their impacts on the transportation system.
- **Parking must be included in gross square footage calculations** for the TSF; currently, developers pay impacts based on the square footage of buildings, but parking space is not included.

  Discounts must be reduced to 25% for any project early in the application process (i.e., those which submitted initial paperwork after July 1, 2014); current projects -- whether one-day or four-years into the process -- get a 50% discount on their fees.

Your transit-oriented planning and density increases are death-traps in the making if the existing DPH-documented air quality hot spots are not radically diminished as a result of effectively shifting commuters to transit, bike and pedestrian modes. Money, not rhetoric, will speed the change.

Sincerely,

Alice Rogers

.....

Alice Rogers
10 South Park St
Studio 2
San Francisco, CA 94107

Young, Victor

From: Board of Supervisors, (BOS)
Sent: Monday, September 21, 2015 10:28 AM
To: BOS-Supervisors; Ausberry, Andrea; Young, Victor
Subject: FW: SFBOS Land Use - Sept. 21, 2015- ITEM #3 - 150790 [Planning Code - Establishing a New Citywide Transportation Sustainability Fee]

From: Aaron Goodman [mailto:amgodman@yahoo.com]
Sent: Sunday, September 20, 2015 3:23 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Cc: Cohen, Malia (BOS) <malia.cohen@sfgov.org>; Wiener, Scott <scott.wiener@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>
Subject: SFBOS Land Use - Sept. 21, 2015- ITEM #3 - 150790 [Planning Code - Establishing a New Citywide Transportation Sustainability Fee]

ITEM # 3 - 150790 [Planning Code - Establishing a New Citywide Transportation Sustainability Fee]
SF BOS Land Use Committee
Sept. 21st, 2015

Land-Use Committee / cc:SFBOS

Once again the public agencies have the opportunity to stand up and take action on the issue of taxation of Housing Development, Business Development, and Institutional Growth.

The question is whether our publicly elected figures can stand up or just follow the leader.

The consistent back-up of traffic, overcrowded muni bus and trains, dilapidated stations, and lacking intermodal design and connectivity between systems shows a serious failure to plan for the future up front.

I watched from behind a 28 sunset bus, as the driver with a loaded bus skipped multiple stops not picking up large groups of passengers mainly kids and seniors trying to board. I see daily increased housing development mostly market rate cramming in, along with tech companies, but little improvement in surrounding stations, and neighborhoods to alleviate the traffic issues daily.

The articles below also denote very well the issues of lacking taxation, prior and currently in regards to development.
We are letting big developers and institutions, banks and private interests too much and not looking for the public's best interests.

Please stand up and ensure that money is not funneled into private interests at the expense of our outer neighborhoods, and ensure that transit upgrades, improved facilities, and connectivity is the mantra through proper taxation at a minimum 50% above what the Planning Commissioner's approved.

As a member of the public who sees the current imbalance of spending it becomes critical to solve the problems now environmentally and not 20 years down the road.

Your riding MUNI was only a pre-view of the conditions we all will face unless adequate action and resolve is taken to tax market rate housing, institutional growth, and business interests equitably.

Sincerely

Aaron Goodman
D11 Resident
BPSCAC - Seat 8

http://www.sfexaminer.com/new-muni-changes-may-leave-lake-merced-residents-stranded/

http://www.sfexaminer.com/making-up-for-a-lost-generation-of-muni-improvements/

http://www.48hills.org/2015/09/11/when-is-growth-too-expensive/

http://www.48hills.org/2015/09/08/a-new-subway-system-in-sf-brilliant-now-who-pays/

TSF Amendments

11/3/15 - Avalos Amendments

Currently proposed fees:

- Small residential fee is $7.74 (25% of the nexus)
- Large residential fee is $8.74 for units above 100: (27% of the nexus for a 200-unit building)
- Small non-residential fee is $18.04 (only 20.6% of nexus)
- Large non-residential fee is $19.04 (only 21.2% of nexus for 200,000 sq ft)

1. **Increase non-residential TSF:**
   - Non-residential 800-99,999 sf: raise fee $0.50 to $18.54
     - This is still only 21.2% of the nexus
   - Non-residential all sf over 99,999: raise fee $4.00 to $23.04
     - This is still only 23.8% of the nexus.

failed

Rationale:

- The current proposal charges residential uses a significantly higher percentage of the fee justified by the nexus compared to non-residential.
- The nexus study shows that commercial developments generate almost three times the impacts on our transportation system.
- The Planning Commission analyzed the fiscal feasibility of these proposed fee increases combined with Supervisor Yee's childcare impact fee, and found that the three commercial prototypes would still be feasible.

2. **Tiered grandfathering residential**
   - Projects submitted between 7/1/14 and 7/21/15 pay 75% of the TSF.
     - (Currently they would pay 50% of the TSF.)

failed

Rationale:

- This was recommended by the Planning Commission.
- Projects that submitted application after July 1, 2014 knew that the City was in the process of implementing the TSF.

3. **Tiered grandfathering non-residential**
   - ~~Projects submitted before 7/1/14 pay 50% of the difference between the TIDF and the TSF.~~
   - ~~Projects submitted between 7/1/14 and 7/21/15 pay 75% of the difference between the TIDF and TSF.~~
   - Projects submitted after 7/21/15 would pay the full TSF.
     - (Currently all of these projects would pay only the TIDF, $14.43/sf)

duplicated

Rationale:

- This would make the grandfathering equitable for non-residential projects.

4. **Study Geographic-Based Fee Structure**
   - Add new Subsection 411A.9.
   - This was the amendment Avalos intended to make at committee, but it was not fully incorporated.

orginal

SEC. 411A.9. FURTHER STUDY OF ECONOMIC FEASIBILITY.

The Board of Supervisors hereby requests that the Controller and the Planning Department study the feasibility of creating a variable impact fee structure based on the economic feasibility of projects in different areas of the City, and report back to the Board within six months of the effective date of this Ordinance.

TSF ECONOMIC FEASIBILITY STUDY: NON-RESIDENTIAL PROTOTYPES
FEASIBILITY OF TSF COMBINED WITH CHILD CARE FEE

% Change in Residual Land Value - Updated 10/30/15

Key to shading:

< 5% change in RLV	-3%
5-9% change in RLV	-6%
> 10% change in RLV	-10%

Prototype Description	Project Size		TSF Fee Scenario: % Change in Residual Land Value (RLV)									
	GSF	Height	AS PROPOSED for less than 100,000 sf: $18.04/GSF	AS PROPOSED for more than 100,000 sf: $19.04/GSF	$19.61 ($18.04 TSF + $1.57 Child care fee)	$20.61 ($1 increase on TSF with Child care fee)	$20.61 ($19.04 TSF + $1.57 Child care fee)	$21.61 ($1 increase on TSF with Child Care fee)	$22.61 ($2 increase on TSF with Child Care fee)	$23.61 ($3 increase on TSF with Child Care fee)	$24.61 ($4 increase on TSF with Child Care fee)	$25.61 ($5 increase on TSF with Child Care fee)
(NEW) Central SoMa*	92,000 sf	85'	-5%	--	-7%	-9%	--	--	--	--	--	--
7. East SoMa	249,300 sf	160'	--	-4%	--	--	-6%	-6%	-7%	-7%	-8%	-8%
10. Transit Center	384,700 sf	400'	--	-5%	--	--	-6%	-7%	-7%	-8%	-9%	-9%

Avalos proposal:
800-99,999 sf: $18.54 TSF

Avalos proposal:
100,000+ sf: $23.04 TSF

~~DRAFT – FOR DISCUSSION 01~~

FILE NO. Item 22 ORDINANCE NO.

Supervisor Cotten ✓ Accepted

[Planning Code - Establishing a New Citywide Transportation Sustainability Fee]

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
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~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco hereby finds and determines that:

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of

Supervisors in File No. 150790 and is incorporated herein by reference. The Board affirms this determination.

(b) On September 10, 2015, the Planning Commission, in Resolution No. 19454, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 150790, and is incorporated herein by reference.

(c) On September 10, 2015, the Planning Commission, in Resolution No. 19454, approved this legislation, recommended it for adoption by the Board of Supervisors, and adopted findings that it will serve the public necessity, convenience and welfare. Pursuant to Planning Code Section 302, the Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. 150790, and is incorporated by reference herein.

Section 2. The Planning Code is hereby amended by adding Sections 411A, 411A.1, 411A.2, 411A.3, 411A.4, 411A.5, 411A.6, 411A.7, and 411A.8, to read as follows:

SEC. 411A. TRANSPORTATION SUSTAINABILITY FEE.

Sections 411A.1 through 411A.8 (hereafter referred to collectively as "Section 411A") set forth the requirements and procedures for the Transportation Sustainability Fee ("TSF").

SEC. 411A.1. FINDINGS.

(a) In 1981, San Francisco ("the City") enacted Ordinance No. 224-81, imposing a Transit Impact Development Fee ("TIDF") on new office development in the downtown area. The TIDF was based on studies showing that the development of new office uses places a burden on the City's transit system, especially in the downtown area of San Francisco during commute hours, known as "peak periods."

(b) The City later amended the TIDF, and made it applicable to non-residential Development Projects citywide, recognizing that development has transportation impacts across the City's transportation network.

(c) Starting in 2009, the City and the San Francisco County Transportation Authority worked to develop the concept of a comprehensive citywide transportation fee and supporting nexus study (the "TSF Nexus Study"). The fee would offset impacts of Development Projects, both residential and non-residential, on the City's transportation network, including impacts on transportation infrastructure that support pedestrian and bicycle travel. The Nexus Study is on file with the Clerk of the Board of Supervisors in File No. 150790, and is incorporated herein by reference.

(d) The TSF Nexus Study concluded that all new land uses in San Francisco will generate an increased demand for transportation infrastructure and services, and recommended that the TSF apply to both residential and non-residential Development Projects in the City. While the Nexus Study found that all new land uses in San Francisco will generate this increased demand for transportation, the Board finds that it is in the public interest to exempt some uses from payment of the fee, in order to promote other important City policies and priorities, such as affordable housing, small businesses and charitable organizations. The Board finds that Hospital and Medical Service projects, however, are generally of such scope and size that they create a substantial demand for transportation infrastructure and services, and therefore, they should contribute to the TSF to meet this demand.

(e) In accordance with the TSF Nexus Study, Section 411A imposes a citywide transportation fee, the TSF, which will allow the San Francisco Municipal Transportation Agency ("SFMTA") and other regional transportation agencies serving San Francisco to meet the demand generated by new development and thus maintain their existing level of service. Section 411A will require sponsors of Development Projects in the City to pay a fee that is reasonably related to the financial burden such projects impose on the City. This financial burden is measured by the cost that

will be incurred by SFMTA and other transportation agencies serving San Francisco to meet the demand for transit capital maintenance, transit capital facilities and fleet, and pedestrian and bicycle infrastructure (also referred to as "complete streets" infrastructure) created by new development throughout the City.

(f) The TSF Nexus Study justifies charging fee rates higher than those Section 411A imposes. The rates imposed herein take into consideration the recommendations of a TSF Economic Feasibility Study that the City prepared in conjunction with TSF. The TSF Economic Feasibility Study took into account the impact of the TSF on the feasibility of development, throughout the City. The TSF Economic Feasibility Study is on file with the Clerk of the Board of Supervisors in File No. , and is incorporated herein by reference.

(g) The fee rates charged herein are no higher than necessary to cover the reasonable costs of providing transportation infrastructure and service to the population associated with the new Development Projects, such as residents, visitors, employees and customers. The TSF will provide revenue that is significantly below the costs that SFMTA and other transit providers will incur to mitigate the transportation infrastructure and service needs resulting from the Development Projects.

(h) The TSF is an efficient and equitable method of providing funds to mitigate the transportation demands imposed on the City by new Development Projects.

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

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

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

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

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

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

SEC. 411A.2. DEFINITIONS.

See Section 401 of this Article 4 for definitions of terms applicable to this Section 411A. In addition, the following abbreviations are used throughout Section 411A: TIDF (Transit Impact Development Fee); TSF (Transportation Sustainability Fee).

SEC. 411A.3. APPLICATION OF TSF.

(a) Except as provided in Subsection (b), the TSF shall apply to any Development Project in the City that results in:

(1) More than twenty new dwelling units;

(2) New group housing facilities, or additions of 800 gross square feet or more to an existing group housing facility;

(3) New construction of a Non-Residential ~~or PDR~~ *use in excess of 800 gross square feet, or additions of 800 square feet or more to an existing Non-Residential* ~~or PDR~~ *use; or*

(4) New construction of a PDR use in excess of 1,500 gross square feet, or additions of 1,500 square feet or more to an existing PDR use; or

(45) Change or Replacement of Use, such that the rate charged for the new use is higher than the rate charged for the existing use, regardless of whether the existing use previously paid the TSF or TIDF.

(b) Exemptions: Notwithstanding Subsection (a), the TSF shall not apply to the following:

(1) City projects. Development Projects on property owned by the City, except for that portion of a Development Project that may be developed by a private sponsor and not intended to be occupied by the City or other agency or entity exempted under Section 411A, in which case the TSF shall apply only to such non-exempted portion. Development Projects on property owned by a private person or entity and leased to the City shall be subject to the fee, unless such Development Project is otherwise exempted under Section 411A.

(2) Redevelopment Projects and Projects with Development Agreements. Development Projects in a Redevelopment Plan Area or in an area covered by a Development Agreement in existence at the time a building or site permit is issued for the Development Project, to the extent payment of the TSF would be inconsistent with such Redevelopment Plan or Development Agreement.

(3) Projects of the United States. Development Projects located on property owned by the United States or any of its agencies to be used exclusively for governmental purposes.

(4) Projects of the State of California. Development Projects located on property owned by the State of California or any of its agencies to be used exclusively for governmental purposes.

(5) Affordable Housing Projects. Affordable housing, pursuant to the provisions of Planning Code Section 406(b), other than that required by Planning Code Sections 415 or 419 et seq., or any units that trigger a Density Bonus under California Government Code Sections 65915-65918,

(6). Small Businesses. Each Change of Use from PDR to Non-Residential, or expansion of an existing PDR or Non-Residential use through an addition that adds new gross floor area to an existing building, shall be exempt from the TSF, provided that: (A) the gross square footage of the resulting individual unit of PDR or Non-Residential use is not greater than 5,000 gross square

feet, and (B) the resulting use is not a Formula Retail use, as defined in Section 303.1 of this Code. This exemption shall not apply to new construction or Replacement of Use.

(7) Charitable Exemptions.

(A) The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4, as implemented by California Revenue and Taxation Code Section 214. However, any Hospital or Medical Service (as defined in Sections 790.44, 890.44, 790. 114 and 890.114 of the Planning Code) ~~Post-Secondary Educational Institution~~ *that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption.*, and shall be subject to the TSF as set forth in Sections 411A.4 and 411A.5, below.

~~(B) It is anticipated that by January 1, 2030, the hospital seismic retrofitting process mandated by Article 8 (commencing with Section 15097.100) of Chapter 1, Division 12.5 of the California Health and Safety Code will have been completed, although the State Legislature may extend the deadline. It is the intention of the Board of Supervisors to consider, when that process is completed, whether hospitals that require an Institutional Master Plan under Section 304.5 of the Planning Code should be subject to the TSF.~~

(~~C~~B) Any project receiving a Charitable Exemption shall maintain its tax exempt status, as applicable, for at least 10 years after the issuance of its Certificate of Final Completion. If the property or portion thereof loses its tax exempt status within the 10-year period, then the property owner shall be required to pay the TSF that was previously exempted. Such payment shall be required within 90 days of the property losing its tax exempt status.

(~~D~~C) If a property owner fails to pay the TSF within the 90-day period, a notice for request of payment shall be served by the Development Fee Collection Unit at DBI under Section 107A.13 of the San Francisco Building Code. Thereafter, upon nonpayment, a lien proceeding

shall be instituted under Section 408 of this Article and Section 107A.13.15 of the San Francisco Building Code.

(ED) *The Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property prior to the issuance of a building or site permit. This Notice shall state the amount of the TSF exempted per this subsection (b)(7). It shall also state the requirements and provisions of subsections (b)(7)(AB) and (b)(7)(C) above.*

(c) Timing of Payment. The TSF shall be paid at the time of and in no event later than when the City issues a first construction document, with an option for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

~~(d) Relationship between the TSF and Area Plan Fees Devoted to Transit. Except as provided in subsection (e), all Development Projects subject to the TSF shall pay the full TSF. Where Development Projects are subject to both the TSF and an Area Plan Impact Fee, a portion of which is dedicated to transit improvements, the Development Projects shall pay the fees as follows:~~

~~(1) Non-Residential portions of developments shall pay both the TSF and the Area Plan Impact Fee.~~

~~(2) Residential portions of developments shall pay the TSF. The transit component of an Area Plan Impact Fee applicable to the Residential portion of such development may be reduced by the amount of TSF due, up to the full amount, as set forth in Sections 421.3, 422.3, 423.3 and 424 of this Code.~~

~~(3) The Planning Department shall maintain a master fee schedule that clearly identifies, for each Area Plan Impact Fee: the transit portion of the Area Plan Impact Fee, the amount of such Area Plan Impact Fee that may be reduced in accordance with subsection~~

~~(d)(2), above, and the resulting net Area Plan Impact Fee after taking the TSF reduction into account.~~

(ed) *Application of the TSF to Projects in the Approval Process at the Effective Date of Section 411A. The TSF shall apply to Development Projects that are in the approval process at the effective date of Section 411A, except as modified below:*

(1) Projects that have a Development Application approved before the effective date of this Section shall not be subject to the TSF, but shall be subject to the TIDF at the rate applicable per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(2) Projects that have filed a Development Application or environmental review application on or *before* ~~the effective date of this Section~~ July 21, 2015, ~~but~~ and *have not received approval of any such application, shall be subject to the TSF as follows:*

(A) Residential Uses subject to the TSF shall pay 50% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall be subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(3) Projects that have not filed a Development Application or environmental review application ~~after~~ before July 2~~1~~2, 2015, and file the first such application on or after July 22, 2015, and have not received approval of any such application, shall be subject to the TSF as follows:

(A) Residential Uses subject to the TSF shall pay 100% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall be subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(~~f~~e) *Effect of TSF on TIDF and Development Subject to TIDF.*

(1) The provisions of this Section 411A are intended to supersede the provisions of Section 411 et seq. as to new development in the City as of the effective date of Section 411A, except as stated below. The provisions of Section 411 et seq. are hereby suspended, with the following exceptions:

(A) Section 411 et seq. shall remain operative and effective with respect to any Redevelopment Plan, Development Agreement, Interagency Cooperation Agreement, or any other agreement entered into by the City, the former Redevelopment Agency or the Successor Agency to the Redevelopment Agency, that is valid and effective on the effective date of Section 411A, and that by its terms would preclude the application of Section 411A, and instead allow for the application of Section 411 et seq.

(B) Section 411 et seq. shall remain operative and effective with respect to Development Projects that are in the approval process as of the effective date of Section 411A, and for which the TIDF is imposed as set forth in Section 411A.3(~~e~~d*).*

(C) Section 411 et seq. shall remain operative and effective with respect to imposition and collection of the TIDF for any new development for which a Development Application was approved prior to the effective date of Section 411A, and for which TIDF has not been paid.

(2) Notwithstanding subsection (~~f~~e*)(1) above, if the City Attorney certifies in writing to the Clerk of the Board of Supervisors that a court has determined that the provisions of Section 411A are invalid or unenforceable in whole or substantial part, the provisions of Section 411 shall no longer be suspended and shall become operative as of the effective date of the court ruling. In that event, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating that the provisions of Section 411A are suspended, and the provisions of Section 411 are no longer suspended.*

(3) The City Attorney's certification referenced in subsection (~~f~~e*)(2) above shall be superseded if the City Attorney thereafter certifies in writing to the Clerk of the Board of Supervisors*

that the provisions of Section 411A are valid and enforceable in whole or in substantial part because the court decision referenced in subsection (fe)(2) has been reversed, overturned, invalidated, or otherwise rendered inoperative with respect to Section 411A. In that event, the provisions of Section 411A shall no longer be suspended and shall become operative as of the date the court decision no longer governs, and the provisions of Section 411 shall be suspended except as specified in Section 411A. Further, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating the same.

SEC. 411A.4. CALCULATION OF TSF.

(a) Calculation. The TSF shall be calculated on the basis of the number of gross square feet of the Development Project, multiplied by the TSF rate in effect at the issuance of the First Construction Document for each of the applicable land use categories within the Development Project, as provided in the Fee Schedule set forth in Section 411A.5, except as provided in subsections (b) and (c), below. An accessory use shall be charged at the same rate as the underlying use to which it is accessory. In reviewing whether a Development Project is subject to the TSF, the project shall be considered in its entirety. A project sponsor shall not seek multiple applications for building permits to evade paying the TSF for a single Development Project.

(b) Change or Replacement of Use. When calculating the TSF for a development project in which there is a Change or Replacement of Use such that the rate charged for the new land use category is higher than the rate charged for the category of the existing legal land use, the TSF per square foot rate shall be the difference between the rate charged for the new and the existing use.

(c) Calculation Method for Residential Uses. Areas of Residential use within a project that creates no more than 99 dwelling units shall pay the fee listed in Table 411A.5. When a project creates more than 99 dwelling units, the fees for areas of Residential use shall be calculated as follows: The number of dwelling units greater than 99 shall be divided by the total number of dwelling units created to determine the proportion of the project represented

by those dwelling units. The resulting quotient shall be multiplied by the total gross floor area of Residential use in the project. The resulting product represents the number of gross square feet of Residential use in the project that is subject to the higher fee rate in Table 411A.5 for dwelling units above 99. The remainder of gross square feet of Residential use in the project is subject to the lower fee rate in Table 411A.5 for dwelling units at or below 99.

(d) Calculation Method for Hospitals. For Development Project building a new Hospital, or adding to an existing Hospital, as that term is defined Planning Code Sections 790.44 and 890.44, the TSF shall be calculated on the basis of the number of gross square feet of the Development Project, multiplied by the ratio of the number of licensed inpatient beds after the completion of the Development Project exceeding the number of licensed inpatient beds prior to the Development Project to the number of licensed inpatient beds after the completion of the Development Project, and multiplied by the TSF rate set forth in Section 4.11A.5. For the purposes of calculating the TSF for hospital buildings: (1) the number of licensed inpatient beds prior to the Development Project shall mean the number of inpatient beds licensed to the Hospital(s), including beds at one or more locations, prior to the Development Project, if any, that will be replaced by licensed inpatient beds at the location of the Development Project upon completion, and (2) the number of licensed inpatient beds after the completion of the Development Project shall mean the number of licensed inpatient beds at the location of the Development Project upon completion.

SEC. 411A.5. TSF SCHEDULE.

Development Projects subject to the TSF shall pay the following fees, as adjusted annually in accordance with Planning Code Section 409(b).

Table 411A.5. TSF Schedule

Land Use Categories	*TSF(1)* ~~Per Gross Square Foot (gsf) of Development Project~~
Residential, 21-99 units	*$ 7.74* for all gsf of Residential use in the first 99 dwelling units (see Section 411A.4(c) above).
Residential, ~~any~~ all units above 99 units	$ 8.74 for all gsf of Residential use in all dwelling units at and above the 100th unit (see Section 411A.4(c) above).
Non-Residential, except Hospitals and Medical Services, 800-99,999 gsf	*$ 18.04* for all gsf of Non-Residential uses less than 100,000 gsf.
Non-Residential, except Hospitals and Medical Services, ~~any~~ all gsf above 99,999 gsf	$ 19.04 for all gsf of Non-Residential use greater than 99,999 gsf.
Non-Residential, Hospitals	$18.74 on net new bed area, as set forth in Section 411A.4(d).
Non-Residential, Medical Services, all gsf above 12,000 gsf	$11.00 for all gsf of Medical Uses above 12,000 gsf
Production, Distribution and Repair	*$ 7.61*

(1) For all Land Use Categories, except for Hospitals, the TSF is calculated per gross square feet (gsf) of new development. For Hospitals, it is calculated per net new bed area, as set forth in Section 411A.4(d), above.

SEC. 411A.6. TSF EXPENDITURE PROGRAM

As set forth in the TSF Nexus Study, on file with the Clerk of the Board of Supervisors File No. _____, TSF funds may only be used to reduce the burden imposed by Development Projects on the City's transportation system. Expenditures shall be allocated as follows, giving priority to specific projects identified in the different Area Plans:

Table 411A.6A. TSF Expenditure Program

Transit Capital Maintenance	
Subtotal	*61%*
Transit Service Expansion & Reliability Improvements – San Francisco	
Subtotal	*32%*
Transit Service Expansion & Reliability Improvements – Regional Transit Providers	
Subtotal	*2%*
Complete Streets (Bicycle and Pedestrian) Improvements	
Subtotal	*3%*
Program Administration	*2%*
Total	*100.0%*

Within the Rincon Hill Community Improvements Program Area, per Planning Code Section 418 and the Visitacion Valley Fee Area, per Planning Code Section 420, expenditures shall be allocated as follows:

Table 411A.6B. TSF Expenditure Program in Rincon Hill and Visitacion Valley

Transit Capital Maintenance	
Subtotal	*61%*
Transit Service Expansion & Reliability Improvements – San Francisco	
Subtotal	*35%*
Transit Service Expansion & Reliability Improvements – Regional Transit Providers	
Subtotal	*2%*
Complete Streets (Bicycle and Pedestrian) Improvements	
Subtotal	*0%*
Program Administration	*2%*
Total	*100.0%*

SEC. 411A.7. TSF FUND

Money received from collection of the TSF, including earnings from investments of the TSF, shall be held in trust by the Treasurer of the City and County of San Francisco under California Government Code Section 66006 of the Mitigation Fee Act. It shall be distributed according to the fiscal and budgetary provisions of the San Francisco Charter and the Mitigation Fee Act, subject to the following conditions and limitations. As reasonably necessary to mitigate the impacts of new development on the City's public transportation system, TSF funds may be used to fund transit capital maintenance projects, transit capital facilities and fleet, and complete streets (pedestrian and bicycle)

infrastructure. These expenditures may include, but are not limited to: capital costs associated with establishing new transit routes, expanding transit routes, and increasing service on existing transit routes, including, but not limited to, procurement of related items such as rolling stock, and design and construction of bus shelters, stations, tracks, and overhead wires; capital or maintenance costs required to add revenue service hours or enhanced capacity to existing routes; capital costs of pedestrian and bicycle facilities, including, but not limited to, sidewalk paving and widening, pedestrian and bicycle signalization of crosswalks or intersection, bicycle lanes within street right-of-way, physical protection of bicycle facilities from motorized traffic, bike sharing, bicycle parking, and traffic calming. Proceeds from the TSF may also be used to administer, enforce, or defend Section 411A.

SEC. 411A.8. ~~FIVE~~ THREE ***YEAR REVIEW OF ECONOMIC FEASIBILITY STUDY.***

Every ~~five~~ three *years, or sooner if requested by the Mayor,* the Planning Commission, *or the Board of Supervisors, the SFMTA shall update the TSF Economic Feasibility Study. This update shall analyze the impact of the TSF on the feasibility of development, throughout the City. This update shall be in addition to the five-year evaluation of all development fees mandated by Section 410 of this Code.*

Section 3. The Planning Code is hereby amended by amending Section 411, to read as follows:

SEC. 411. TRANSIT IMPACT DEVELOPMENT FEE.

(a) Sections 411.1 through 411.9, hereafter referred to as Section 411.1 *et seq.*, set forth the requirements and procedures for the TIDF. The effective date of these requirements shall be the date the requirements were originally effective or were subsequently modified, whichever applies.

(b) Partial Suspension of Section 411 et seq. In accordance with Planning Code Section 411A.3(e), the provisions of Section 411A are intended, with certain exceptions, to supersede the provisions of Section 411 et seq., as to new development in the City as of the effective date of Section 411A. Accordingly, Section 411A.3(e) suspends, with certain exceptions, the operation of Section 411 et seq., and states the circumstances under which such suspension shall be lifted.

Section 4. The Planning Code is hereby amended by revising Section 401, to read as follows:

SEC. 401. DEFINITIONS.

* * * *

"Area Plan Impact Fee" shall mean a development impact fee collected by the City to mitigate impacts of new development in the Area Plans of the San Francisco General Plan, under Article 4 of the Planning Code.

* * * *

"Development Application" shall mean any application for a building permit, site permit, Conditional Use, Variance, Large Project Authorization, or any application pursuant to Planning Code Sections 309, 309.1, or 322.

* * * *

"Hope SF Project Area" shall mean an area owned by or previously owned by the San Francisco Housing Authority that is currently undergoing, or planned to undergo redevelopment, whereby existing affordable dwelling units will be replaced, new affordable housing units will be constructed, and market-rate units may be constructed as a means to cross-subsidize newly needed infrastructure and affordable units. Hope SF Project Area shall include the Hunters View project, which is located within the Hunters View Special Use District, the Potrero Terrace and Annex Project, which includes Assessor's Block 4367, Lots 004 and 004A; Block 4220A, Lot 001, Block 4222, Lot 001;

and Block 4223, Lot 001; and the Sunnydale / Velasco Project, which includes Assessor's Block 6310, Lot 001; Block 6311, Lot 001; Block 6312, Lot 001; Block 6313, Lot 001; Block 6314, Lot 001; and Block 6315, Lot 001.

Section 5. The Planning Code is hereby amended by revising Section 406, to read as follows:

SEC. 406. WAIVER, REDUCTION, OR ADJUSTMENT OF DEVELOPMENT PROJECT REQUIREMENTS.

(a) Waiver or Reduction Based on Absence of Reasonable Relationship.

(1) The sponsor of any development project subject to a development fee or development impact requirement imposed by this Article may appeal to the Board of Supervisors for a reduction, adjustment, or waiver of the requirement based upon the absence of any reasonable relationship or nexus between the impact of development and either the amount of the fee charged or the on-site requirement.

(2) Any appeal authorized by this Section shall be made in writing and filed with the Clerk of the Board no later than 15 days after the date the Department or Commission takes final action on the project approval that assesses the requirement. The appeal shall set forth in detail the factual and legal basis for the claim of waiver, reduction, or adjustment.

(3) The Board of Supervisors shall consider the appeal at a public hearing within 60 days after the filing of the appeal. The appellant shall bear the burden of presenting substantial evidence to support the appeal, including comparable technical information to support appellant's position. The decision of the Board shall be by a simple majority vote and shall be final.

(4) If a reduction, adjustment, or waiver is granted, any change in use within the project shall invalidate the waiver, adjustment, or reduction of the fee or inclusionary

Arabs

TSF Amendments

1. **Eliminate area plan exemption**
2. **Eliminate hospital exemption**
3. **Create a two-tiered structure for the overall TSF**
   - Residential:
     - 21-99 units: keep fee at $7.74/square foot (25% of the nexus)
     - 100+ units: raise fee to $8.74/square foot (28% of the nexus) 100%
   - Non-residential:
     - 800-99,999 GSF: raise fee $3 to $21.04/sq.ft. (24% of the nexus)
     - 100,000+ GSF: raise fee $6 to $24.04/sq.ft. (27% of the nexus)
4. **Tiered grandfathering residential**
   - Projects submitted before 7/1/14 would pay 50% of the TSF.
   - Projects submitted after 7/1/14 would pay 75% of the TSF.
   - Projects submitted after 7/21/15 (date the TSF ordinance was introduced) would pay 100% of the TSF.
5. **Tiered grandfathering non-residential**
   - Projects submitted before 7/1/14 would pay 50% of the difference between the TIDF and the TSF.
   - Projects submitted after 7/1/14 would pay 75% of the difference between the TIDF and TSF.
   - Projects submitted after 7/21/15 would pay the full TSF.
6. **Study Geographic-Based Fee Structure**
   - Direct the Planning Department and the Controller to study the feasibility of making impact fees variable based on the economic feasibility of different areas of town.

Amendment by Supervisor Wiener
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Increase TSF rate.

Page 11, line 1

SEC. 411A.5. TSF SCHEDULE.

Development Projects subject to the TSF shall pay the following fees, as adjusted annually in accordance with Planning Code Section 409(b).

Table 411A.5. TSF Schedule

Land Use Categories	***TSF Per Gross Square Foot of Development Project***
Residential, up to 99 units Residential, 100 units or more	*$ 7.74* $8.74
Non-Residential, up to 99,999 gross square feet Non-Residential, 99,999 gross square feet or more	*$ 18.04* $19.04
Production, Distribution and Repair	*$ 7.61*

Amendment by Supervisor Wiener
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Amend the grandfathering for residential to require 100% TSF for projects filed after July 21, 2015.

Page 8, line 19

(2) Projects that have filed a Development Application or environmental review application on or *before* ~~the effective date of this Section~~ July 21, 2015, ~~but~~ and *have not received approval of any such application, shall be subject to the TSF as follows:*

(A) Residential Uses subject to the TSF shall pay 50% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall be subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(3) Projects that have filed a Development Application or environmental review application after July 21, 2015, and have not received approval of any such application, shall be subject to the TSF as follows:

(A) Residential Uses subject to the TSF shall pay 100% of the applicable residential TSF rate, as well as any other applicable fees.

(B) The Non-residential or PDR portion of any project shall be subject to the TIDF and pay the applicable TIDF rate per Planning Code Sections 411.3(e) and 409, as well as any other applicable fees.

(~~f~~e) Effect of TSF on TIDF and Development Subject to TIDF.

(1) The provisions of this Section 411A are intended to supersede the provisions of Section 411 et seq. as to new development in the City as of the effective date of

Section 411A, except as stated below. The provisions of Section 411 et seq. are hereby suspended, with the following exceptions:

(A) Section 411 et seq. shall remain operative and effective with respect to any Redevelopment Plan, Development Agreement, Interagency Cooperation Agreement, or any other agreement entered into by the City, the former Redevelopment Agency or the Successor Agency to the Redevelopment Agency, that is valid and effective on the effective date of Section 411A, and that by its terms would preclude the application of Section 411A, and instead allow for the application of Section 411 et seq.

(B) Section 411 et seq. shall remain operative and effective with respect to Development Projects that are in the approval process as of the effective date of Section 411A, and for which the TIDF is imposed as set forth in Section 411A.3(ed).

(C) Section 411 et seq. shall remain operative and effective with respect to imposition and collection of the TIDF for any new development for which a Development Application was approved prior to the effective date of Section 411A, and for which TIDF has not been paid.

(2) Notwithstanding subsection (fe)(1) above, if the City Attorney certifies in writing to the Clerk of the Board of Supervisors that a court has determined that the provisions of Section 411A are invalid or unenforceable in whole or substantial part, the provisions of Section 411 shall no longer be suspended and shall become operative as of the effective date of the court ruling. In that event, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating that the provisions of Section 411A are suspended, and the provisions of Section 411 are no longer suspended.

(3) The City Attorney's certification referenced in subsection (fe)(2) above shall be superseded if the City Attorney thereafter certifies in writing to the Clerk of the Board of Supervisors that the provisions of Section 411A are valid and enforceable in whole or in substantial part because the court decision referenced in subsection (fe)(2) has been reversed, overturned, invalidated, or otherwise rendered inoperative with respect to Section 411A. In that

event, the provisions of Section 411A shall no longer be suspended and shall become operative as of the date the court decision no longer governs, and the provisions of Section 411 shall be suspended except as specified in Section 411A. Further, the City Attorney shall cause to be printed appropriate notations in the Planning Code indicating the same.

Amendment by Supervisor Wiener
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Exempt all non-profit post-secondary educational institutions from TSF

Page 6, line 18

(A) The TSF shall not apply to any portion of a project located on a property or portion of a property that will be exempt from real property taxation or possessory interest taxation under California Constitution, Article XIII, Section 4; as implemented by California Revenue and Taxation Code Section 214. ~~However, any Post-Secondary Educational Institution that requires an Institutional Master Plan under Section 304.5 of the Planning Code shall not be eligible for this charitable exemption.~~

Amendment by Supervisor Wiener
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Increase frequency of economic feasibility study from every 5 years to every 3 years.

Page 13, line 14

SEC. 411A.8. ~~FIVE~~ THREE ***YEAR REVIEW OF ECONOMIC FEASIBILITY STUDY.***

Every ~~five~~ three *years, or sooner if requested by the Mayor,* the Planning Commission, *or the Board of Supervisors, the SFMTA shall update the TSF Economic Feasibility Study. This update shall analyze the impact of the TSF on the feasibility of development, throughout the City. This update shall be in addition to the five-year evaluation of all development fees mandated by Section 410 of this Code.*

Amendment by Supervisor Cohen
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Increasing PDR exemption from 800gsf to 1500gsf

Page 5, line 13

(4) New construction of a PDR use in excess of 1,500 gross square feet, or additions of 1,500 square feet or more to an existing PDR use; or

(45) Change or Replacement of Use, such that the rate charged for the new use is higher than the rate charged for the existing use, regardless of whether the existing use previously paid the TSF or TIDF.

Amendment by Supervisor Cohen
File #150790
Agenda Item #3
Planning Code – Establishing a New Citywide TSF

Remove area plan residential TSF fee credit

Page 8, line 3

~~(d) Relationship between the TSF and Area Plan Fees Devoted to Transit. Except as provided in subsection (e), all Development Projects subject to the TSF shall pay the full TSF. Where Development Projects are subject to both the TSF and an Area Plan Impact Fee, a portion of which is dedicated to transit improvements, the Development Projects shall pay the fees as follows:~~

~~(1) Non-Residential portions of developments shall pay both the TSF and the Area Plan Impact Fee.~~

~~(2) Residential portions of developments shall pay the TSF. The transit component of an Area Plan Impact Fee applicable to the Residential portion of such development may be reduced by the amount of TSF due, up to the full amount, as set forth in Sections 421.3, 422.3, 423.3 and 424 of this Code.~~

~~(3) The Planning Department shall maintain a master fee schedule that clearly identifies, for each Area Plan Impact Fee: the transit portion of the Area Plan Impact Fee, the amount of such Area Plan Impact Fee that may be reduced in accordance with subsection (d)(2), above, and the resulting net Area Plan Impact Fee after taking the TSF reduction into account.~~

(~~e~~d) *Application of the TSF to Projects in the Approval Process at the Effective Date of Section 411A. The TSF shall apply to Development Projects that are in the approval process at the effective date of Section 411A, except as modified below:*

****And conforming amendments to the all the Area Plan sections of the Planning Code.**

BOARD of SUPERVISORS

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

MEMORANDUM

TO: John Rahaim, Director, Planning Department
Ed Reiskin, Executive Director, Municipal Transportation Agency
Tilly Chang, Executive Director, County Transportation Authority
Todd Rufo, Director, Office of Economic and Workforce Development
Barbara Garcia, Director, Department of Public Health
Tom Hui, Director, Department of Building Inspection
Jose Cisneros, Treasurer & Tax Collector

FROM: Alisa Somera, Assistant Clerk
Land Use and Transportation Committee Board of Supervisors

DATE: November 10, 2015

SUBJECT: DUPLICATED LEGISLATION AMENDED IN BOARD

The Board of Supervisors DUPLICATED AND AMENDED the following proposed legislation on November 3, 2015, and it is being forwarded to you for informational purposes.

File No. 151121-2,3

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Scott Sanchez, Planning Department
Sarah Jones, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Jeanie Poling, Planning Department
Dillon Auyoung, Municipal Transportation Agency
Kate Breen, Municipal Transportation Agency
Janet Martinsen, Municipal Transportation Agency
Erika Cheng, County Transportation Authority
Cynthia Fong, County Transportation Authority
Lisa Pagan, Office of Economic and Workforce Development
Greg Wagner, Department of Public Health
Colleen Chawla, Department of Public Health
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection
Amanda Kahn Fried, Office of the Treasurer & Tax Collector

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee
Board of Supervisors

DATE: September 16, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

****

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment

____ Recommendation Attached

_____
Chairperson, Small Business Commission

BOARD of SUPERVISORS

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

MEMORANDUM

TO: Greg Suhr, Chief, Police Department
Todd Rufo, Director, Office of Economic and Workforce Development

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee Board of Supervisors

DATE: September 16, 2015

SUBJECT: SUBSTITUTE LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed substitute legislation, introduced by Mayor Lee on September 8, 2015:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Christine Fountain, Police Department
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

BOARD of SUPERVISORS

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

September 16, 2015

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On September 8, 2015, Mayor Lee introduced the following substitute legislation:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis
Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning

BOARD of SUPERVISORS

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

September 16, 2015

File No. 150790

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On September 8, 2015, Mayor Lee introduced the following substitute legislation:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This substitute legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Committee Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
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TDD/TTY No. 554-5227

MEMORANDUM

TO: Jose Cisneros, Treasurer, Office of the Treasurer and Tax Collector
John Rahaim, Director, Planning Department
Ed Reiskin, Executive Director, Municipal Transportation Agency
Olson Lee, Director, Mayor's Office of Housing and Community Development
Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure
Bevan Dufty, Director, Housing Opportunity, Partnership and Engagement
Theo Miller, Director, HOPE SF
Delene Wolf, Executive Director, Rent Board

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee, Board of Supervisors

DATE: July 29, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Mayor Lee on July 28, 2015:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Amanda Kahn Fried, Policy and Legislative Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Acting Environmental Review Officer,

AnMarie Rodgers, Senior Policy Advisor
Aaron Starr, Acting Manager of Legislative Affairs
Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning
Janet Martinsen, Local Government Affairs Liaison
Kate Breen, Government Affairs Director
Dillon Auyoung, Local Government Affairs Manager
Viktoriya Wise, Chief of Staff, Sustainable Streets Division
Eugene Flannery, Secretary
Sophie Hayward, Policy and Legislative Affairs
Claudia Guerra, Executive Assistant and Commission Secretary
Natasha Jones, OCII
Dee Schexnayder, HOPE
Christine Keener, HOPE
Barbara Amaro, Operations Director, HOPE SF

BOARD of SUPERVISORS

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

July 29, 2015

File No. 150790

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On July 28, 2015, Mayor Lee introduced the following legislation:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use & Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

BOARD of SUPERVISORS

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

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee
Board of Supervisors

DATE: July 29, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

****

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment

____ Recommendation Attached

_____
Chairperson, Small Business Commission

BOARD of SUPERVISORS

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

July 29, 2015

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

On July 28, 2015, Mayor Lee introduced the following legislation:

File No. 150790

Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

The proposed ordinance is being transmitted pursuant to Planning Code Section 302(b) for public hearing and recommendation. The ordinance is pending before the Land Use and Transportation Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

By: Andrea Ausberry, Assistant Clerk
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
AnMarie Rodgers, Senior Policy Manager
Scott Sanchez, Zoning Administrator
Sarah Jones, Chief, Major Environmental Analysis

Jeanie Poling, Environmental Planning
Joy Navarrete, Environmental Planning



San Francisco Group of the San Francisco Bay Chapter
September 17, 2015

Reply to:
Sierra Club, San Francisco Group
85 Second Street, 2nd floor
Box SFG
San Francisco, CA 94105

September 11, 2015

Hon. Malia Cohen
Chair, Land Use and Transportation Committee
San Francisco Board of Supervisors
City Hall
#1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re. the Transportation Sustainability Fee

Dear Chair Cohen:

The Sierra Club urges the San Francisco Board of Supervisors to adopt a transportation sustainability fee matrix that makes large commercial projects and all market-rate housing projects pay for their full share of transit and transportation-related impact fees. All policy-based discounts should be less than 100 percent. Hospitals should be assessed impact fees as well. Fees should be used to mitigate transit and transportation-related impacts at the points of impact.

Sincerely,
Susan Elizabeth Vaughan
Chair
San Francisco Group
Sierra Club

CC:
Jane Kim Jane.Kim@sfgov.org
Scott Wiener scott.wiener@sfgov.org
Andrea Ausberry andrea.ausberry@sfgov.org

Board of Supervisors
City of San Francisco
1 Dr. Carleton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: Transportation Sustainability Fee Legislation

September 1, 2015

Dear San Francisco Board of Supervisors:

We are strong supporters of the principles behind the proposed Transportation Sustainability Fee (TSF), and are thrilled to finally see the city move forward with a way to ensure that new developments, both commercial and market-rate housing, help pay for the increased transportation needs they create. As anyone who lives in San Francisco can attest, our transportation system is over-subscribed, under-maintained, and often leaves people with few reliable, safe, convenient options. We are pleased that the Transportation Sustainability Fee reflects the City's goals to increase the number of people walking, biking, and taking transit, and believe that continued investment in our systems needs to reflect the City's ambitious goals. Transportation is the second highest expense for San Francisco residents (second to housing), and we need to ensure that we are providing safe, affordable, convenient options for residents in order to help them stay and get around in our beautiful city.

As the proposal moves forward, there are a few key policy changes to strengthen and better align the ordinance with the City's goals. To that end, we have three suggestions we urge the Board of Supervisors, the San Francisco Planning Department, the San Francisco Municipal Transportation Agency, and other stakeholders to implement.

1. **Impact Fee Rates and Waivers**
   The current legislation proposes a residential rate of $7.74 per square foot, far below the maximum justified fee level of $30.39 identified in the first nexus study. While we understand the suggestions set forth in the Economic Feasibility study, $7.74 per square foot is far too low given the needs of our transportation system and the significant impact new developments have on our transportation system, as demonstrated in the nexus study. For far too long, the City has not asked developers to pay their fair share, resulting in unreliable service, and inadequate system for all users and ultimately a huge economic burden for San Francisco residents and community members.The need to increase the TSF is particularly critical given that other development impact fees are being lowered as part of this legislation. We urge you to implement the $30.93 residential fee (per square foot), $87.42 nonresidential fee (per square foot), and $26.07 for production, distribution and repair use (per square foot), commensurate with the true cost that development has on our transportation system, as outlined in the SFMTA's own transportation sustainability study.

We applaud the City's decision to apply TSF to market-rate housing as well as commercial development. The TSF appropriately waives residential fees for affordable housing. We are concerned, however, about the new definition of affordable housing as 150% of Area Median Income (AMI). Given the bifurcated economic nature of our city, 150% of AMI is a six-figure income; and using it as the new standard has significant policy impacts. This change, which based on the current language in the TSF legislation would apply to all development impact fees, should be reviewed on its own, if it will apply to development impact fees outside of the TSF. We understand that the City is currently adjusting the language to ensure that the 150% AMI only applies to TSF projects, and encourage the City to move forward with that change as well as further examining the impacts of the change to 150% AMI as a standard.

2. Charging for Parking

The amount of parking in a project is one of the most effective ways to influence travel behavior. However, parking square footage is not included in the current fee structure. The goal of the TSP is not only for developers to pay for their transportation impacts, it's also to build the infrastructure needed to meet the City's mode-shift goals. It is concerning that one of the most obvious facilitators of vehicle use will not be included in the current fee.

The TSP is intended to be both a transportation funding tool and a transportation planning tool. To be an effective transportation planning tool, the TSP must be able to accurately predict the transportation impacts of projects, and to reduce or mitigate any negative impacts on the transportation system and the environment.

Development projects can greatly reduce the environmental and infrastructure costs they impose on the City by reducing their dependence on private autos. However, the transportation planning models that the City uses to calculate auto trips and our impact fee structure can't currently distinguish between projects that minimize transportation impacts through strategies like smart locations, reduced parking, transit passes, enhanced walking and cycling access, and those that don't. We are concerned that the TSF as proposed continues to ignore the disparate impact that projects' transportation choices have on the transportation system. Space dedicated to parking generates auto trips, yet it is not counted as part of the gross floor area of a development (either residential or commercial), unless it is a stand-alone parking garage. Auto trips are the most expensive trips for our city's transportation network, and given the clear link between parking availability and auto trip generation, space dedicated to parking should be included as part of a development's square footage. Building space dedicated to parking can be included in the fee calculations by a simple amendment to the Planning Code - either amending Section 102 include parking as part of Gross Floor Area, or amending Article 4 to say that parking area counts

towards Gross Floor Area only for the purpose of calculating transportation impact fees.

As the City grows denser, it must refine its models for auto trip generation and vehicle miles travelled to more accurately account for the impact that residential and commercial parking spaces have on our transportation system and environment.

3. **Investing in the System Should be Transparent and Strategic**
To foster equity, health, sustainability, and mobility as the city grows, San Francisco must invest in sustainable transportation networks that are safe, continuous and citywide - safe streets for walking, a bicycle network, a transit-priority network, and a rapid transit network. TSP investments must be strategic, building towards a coherent whole. At the same time, the impacts of development on SF communities can be acute and challenging. To foster neighborhood livability, investments must also take into consideration community needs and neighborhood scale planning. **We recommend that the TSP include a transparent, community-based process for neighborhood level investments that are responsive and timely as neighborhoods grow and change.**

Over the last decade, the City has adopted various Area Plans - Better Neighborhoods, Eastern Neighborhoods, Rincon Hill, Transit Center District, etc. Those area plans rezoned land to encourage new housing and jobs. The plans also acknowledged that land use and transportation are two sides of the same coin, and accommodating new growth requires investments in sustainable transportation to maintain or improve mobility and neighborhood livability. The current ordinance prioritizes funding for projects approved in local Area Plans. However, there is no specific percentage of the TSF dedicated to providing essential transportation improvements within the Area Plan as development occurs. **We urge the City to set aside a portion of the TSF funding to implement Area Plans in which significant development is occurring so that transportation infrastructure keeps pace with the growth in housing and jobs. In communities that lack Area Plans, we urge the City to engage the community in a transparent process to identify and fund neighborhood transportation infrastructure priorities.** Improvements to walking and cycling are central to most of the Area transportation plans, and as part of this process, the City should look at the modal funding allocations included in the Area Plans, which frequently fund biking and walking infrastructure at higher levels than the TSF Nexus suggests, and use the Area Plan priorities to guide additional allocations.

The transportation and streetscape plans for the city's Area Plans vary greatly in their currency and completeness. Area Plans will be most useful to both Area Plan residents and the City as a whole when they are up to date, and integrate the City's other policy goals, including modeshift, carbon emission, and Vision Zero, as well as plans for citywide networks, including

the Bicycle Network, transit-priority network, pedestrian network, and Green Connections. Where Area Plans identify specific streetscape standards or improvements, The Planning Code requires that large development projects install them; incorporating streetscape plans into Area Plans can leverage these requirements into more walkable and livable neighborhoods. We encourage the city to update its neighborhood transportation and streetscape plans on a periodic basis, to allow them to serve as an accurate guide for neighborhood transportation priorities.

We appreciate the work that has gone into the Transportation Sustainability Fee thus far, and urge the City to move swiftly to implement the fee, and its related Transportation Demand Management tools. The TSF is an opportunity for San Francisco to lay the groundwork for a city in which residents and visitors alike can navigate safely, quickly, and comfortably through the City in low-carbon, healthy, and efficient ways, and is critical to aligning our funding and policy goals. We hope that you consider these recommendations as ways to further strengthen the program and better align it with existing city policy.

Sincerely,

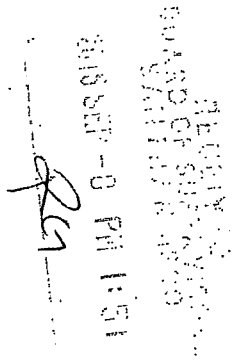
Noah Budnick
San Francisco Bicycle Coalition

Tom Radulovich
Livable City

Nicole Ferrara
Walk San Francisco

CC: San Francisco Municipal Transportation Agency Board, San Francisco Municipal Transportation Agency Director Ed Reiskin, San Francisco Planning Commission, San Francisco Planning Department Director John Rahaim

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September 8, 2015

Members, Board of Supervisors
235 City Hall
San Francisco, CA 94102

Re: Proposed Transportation Sustainability Fee, Ordinance 150790

Dear Supervisors:

The organizations signing this letter strongly support the concept behind the TSF proposal, that market rate housing be required to participate in the impact mitigation strategy until now represented by the Transit Impact Development Fee (TIDF) imposed only on commercial and PDR development. We have followed the proposal closely throughout its development, and have four key concerns for which we offer recommended changes in the legislation. We urge the Planning Commission and the Board of Supervisors to adopt amendments in these four areas to strengthen the proposal before you, and increase the benefits to the people of the City and County of San Francisco.

1. Impact Fee Rates. Since initial passage of the TIDF, the City's practice has been to set mitigation fee rates below the full cost of development to the City and to its transit agency. The current proposal sets a residential rate at $7.74, which is just 25% of the maximum justified fee level of $30.93. As noted in the TSF ordinance Findings: "The TSF will provide revenue that is significantly below the costs that SFMTA and other transit providers will incur to mitigate the transportation infrastructure and service needs resulting from the Development Projects."

   While we understand the rationale of the Economic Feasibility Study, we feel this is setting the bar too low given not only the nexus of growth induced impacts but also the magnitude of the City's transportation revenue needs, such as the $3.3 billion of unfunded capital needs through 2030, and corresponding operating budget shortfalls. A more aggressive fee level is warranted in order for San Francisco to grow sustainably, including investments in an equitable transportation system. We strongly urge you to find a middle ground between the true cost to our transportation system, and the currently proposed fee. Even a 33% residential fee would raise an additional $4 million annually, and a 40% fee would raise over $7 million, exclusive of other amendments.

   A higher recovery rate should likewise be considered for commercial projects.

2. Fee "Waivers". The TSF ordinance proposal dramatically expands the existing threshold for a waiver of the TSF mitigation fee for residential units currently at 80% of Unadjusted Area Median Income (AMI) to a new threshold of 150% AMI, nearly double the income level for current waiver eligibility. Moreover, this waiver revision will be applicable to all development impact fees (a total of six different fee programs, including Eastern Neighborhoods, Market/Octavia, Visitacion Valley, etc), not just the TSF mitigation fee. The TSF ordinance also extends this full fee waiver to all market rate housing projects built within HOPESF master plans. The proposal to shift public subsidy (which is what these development mitigation fee waivers amount to) for development of units aimed at households earning $153,000 income (150% AMI for a 4-person family) is a very significant policy issue, which has not been fully vetted before the Board of Supervisors. Such a change should

Sincerely,

Peter Cohen
SF Council of Community Housing Organizations
peter@sfic-409.org

Calvin Welch, Steering Committee
SF Human Services Network
welchsf@pacbell.net

Thea Selby, Chair
San Francisco Transit Riders
thea@nextstepsmarketing.com

Nicole Ferrara, Executive Director
Walk San Francisco
nicole@walksf.org

Jessica Lehman, Executive Director
Senior & Disability Action
jessica@sdaction.org

Robert Allen, for
Urban Habitat
bob@urbanhabitat.org

cc: Planning Commission

BOARD of SUPERVISORS

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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Monday, November 23, 2015**

Time: **1:30 p.m.**

Location: **Legislative Chamber, Room 250, located at City Hall**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **File No. 151121**. Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1.

If the legislation passes, the citywide Transportation Sustainability Fee would be charged to development projects building a new non-residential hospital, or adding to an existing hospital, or non-residential medical use development. The fee shall be calculated as follows:

- Non-Residential, Hospitals: $18.74 on net new bed area, as defined in the ordinance; or
- Non-Residential, Medical Uses, all gsf above 12,000 gsf: $11.00/gsf for all medical uses above 12,000 gsf.

City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, November 20, 2015.

Angela Calvillo
Clerk of the Board

DATED/POSTED: November 12, 2015
PUBLISHED: November 13 & 20, 2015

BOARD of SUPERVISORS

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

NOTIFICACIÓN DE AUDIENCIA PÚBLICA

JUNTA DE SUPERVISORES DE LA CIUDAD Y CONDADO DE SAN FRANCISCO

COMITÉ SOBRE USO DE SUELOS Y TRANSPORTE

Fecha: **Lunes, 23 de noviembre de 2015**

Hora: **1:30 p.m.**

Lugar: **Cámara Legislativa, Salón 250, localizado dentro del Ayuntamiento 1 Dr. Carlton B. Goodlett Place, San Francisco, CA**

Asunto: **№ de Expediente 151121.** Ordenanza que enmienda el Código de Planificación mediante el establecimiento de una nueva Cuota de Sostenibilidad de Transporte (*Transportation Sustainability Fee*) en toda la ciudad y se suspende la aplicación de la Cuota vigente sobre el Desarrollo del Impacto de Tránsito (*Transit Impact Development Fee*), con algunas excepciones, siempre y cuando la Cuota de Sostenibilidad de Transporte permanezca operativa; se aplica la Cuota de Sostenibilidad de Transporte a los hospitales y servicios médicos; enmienda la Sección 401 para agregar las definiciones que reflejen estos cambios; enmienda la Sección 406 para aclarar las exenciones de vivienda asequible y de refugio para personas indigentes en cuanto a la Cuota de Sostenibilidad de Transporte; enmienda, de manera conforme a las cuotas del Articulo 4 del Plan de Área del Código de Planificación; afirma la determinación del Departamento de Planificación conforme a la Ley de Calidad Medioambiental de California, hace hallazgos, incluyendo hallazgos generales, hallazgos de necesidad pública, de conveniencia y de bienestar, y hallazgos coherentes al Plan General, y las ocho políticas de prioridad, Sección 101.1 del Código de Planificación.

Angela Calvillo
Secretaria de la Junta

FECHADO: 12 de noviembre de 2015
PUBLICADO/ANUNCIADO: 13 de noviembre de 2015

BOARD of SUPERVISORS

City Hall
1 Dr. Ca . B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No 554-5184
Fax No. 554-5163
TTD/TTY No. 5545227

公聽會通知

三藩市市及縣市參事委員會
土地使用與交通運輸委員會

日期: 2015 年 11 月 23 日星期一

時間: 下午 1 時 30 分

地點: 市政廳，立法會議廳 250 室，1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

議題: **檔案號碼 151121。** 該項條例修訂規劃法規，通過確定一項新的全市交通可持續性收費及暫緩繳交現有交通影響發展收費申請， 除若干例外情況之外，交通可持續收費仍在施行; 修訂第401條款，增加定義以反映這些變更; 修訂第406條款以闡明可負擔房屋及無家可歸庇護所須豁免於交通可持續性收費; 作出修訂，且須符合規劃規例第4條區計劃收費規定; 依據「加州環境質量法」（California Environmental Quality Act）確定規劃局的決定; 以及作出裁斷，包括一般裁斷，公眾需要、設施及福利的裁斷，以及與總體計劃及規劃法規第101.1條款的八項優先政策相一致的裁斷。

Angela Calvillo
市參事委員會書記

日期: November 12, 2015
公佈/張貼: November 13, 2015

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Alisa Somera
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

EXM 2816402

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description AS - 11.23.15 Land Use - 151121 Fee Ad

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

11/13/2015 , 11/20/2015

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ORANGE COUNTY REPORTER, SANTA ANA	(714) 543-2027
SAN FRANCISCO DAILY JOURNAL, SAN FRANCISCO	(800) 640-4829
SAN JOSE POST-RECORD, SAN JOSE	(408) 287-4866
THE DAILY RECORDER, SACRAMENTO	(916) 444-2355
THE DAILY TRANSCRIPT, SAN DIEGO	(619) 232-3486
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747

* A 0 0 0 0 0 3 9 3 0 2 1 8 *

NOTICE OF PUBLIC HEARING
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
LAND USE AND TRANSPORTATION COMMITTEE
MONDAY, NOVEMBER 23, 2015 - 1:30 PM
LEGISLATIVE CHAMBER, ROOM 250, CITY HALL
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: **File No. 151121.** Ordinance amending the Planning Code by establishing a new citywide **Transportation Sustainability Fee** and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1. If the legislation passes, the citywide Transportation Sustainability Fee would be charged to development projects building a new non-residential hospital, or adding to an existing hospital, or non-residential medical use development. The fee shall be calculated as follows: Non-Residential, Hospitals: $18.74 on net new bed area, as defined in the ordinance; or Non-Residential, Medical Uses, all gsf above 12,000 gsf: $11.00/gsf for all medical uses above 12,000 gsf. City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, November 20, 2015. - Angela Calvillo, Clerk of the Board

Somera, Alisa (BOS)

From: glenda_sobrique@dailyjournal.com
Sent: Thursday, November 12, 2015 10:47 AM
To: Somera, Alisa (BOS)
Subject: Confirmation of Order 2816402 for AS - 11.23.15 Land Use - 151121 Fee Ad

Dear Customer:

The order listed below has been received and processed. If you have any questions regarding this order, please contact your ad coordinator or the phone number listed below.

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Type of Notice : GPN - GOVT PUBLIC NOTICE
Ad Description : AS - 11.23.15 Land Use - 151121 Fee Ad
Our Order Number : 2816402
Newspaper : SAN FRANCISCO EXAMINER 10%
Publication Date(s) : 11/13/2015,11/20/2015

Thank you.

GLENDA SOBRIQUE
DAILY JOURNAL CORPORATION
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City	SAN FRANCISCO	**Fax**	4155547714
State - Zip	CA - 94102		

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Order Information

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Special Instructions	-		

Orders Created

Order No.	Newspaper Name	Publishing Dates	Ad	Price Description	Price	Ad Status
2816402	SAN FRANCISCO EXAMINER 10%, CA **Billed To:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES) **Created For:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)	11/13/2015, 11/20/2015	**Depth :** 10.12" **Lines :** 123	**$3.75 * 123 lines * 2 Inserts * 1 Cols [$922.50] 10% set aside [$-92.25]**	**$830.25**	Sent

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NOTICE OF PUBLIC HEARING
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
LAND USE AND TRANSPORTATION COMMITTEE
MONDAY, NOVEMBER 23, 2015 - 1:30 PM
LEGISLATIVE CHAMBER, ROOM 250, CITY HALL
1 DR. CARLTON B. GOODLETT PLACE
SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: **File No. 151121.** Ordinance amending the Planning Code by establishing a new citywide **Transportation Sustainability Fee** and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; applying the

Transportation Sustainability Fee to Hospitals and Medical Services; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1. If the legislation passes, the citywide Transportation Sustainability Fee would be charged to development projects building a new non-residential hospital, or adding to an existing hospital, or non-residential medical use development. The fee shall be calculated as follows: Non-Residential, Hospitals: $18.74 on net new bed area, as defined in the ordinance; or Non-Residential, Medical Uses, all gsf above 12,000 gsf: $11.00/gsf for all medical uses above 12,000 gsf. City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, November 20, 2015. - Angela Calvillo, Clerk of the Board

BOARD of SUPERVISORS

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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Monday, October 19, 2015**

Time: **1:30 p.m.**

Location: **Legislative Chamber, Room 250, located at City Hall**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **File No. 150790.** Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience, and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

If the legislation passes, a new Citywide transportation impact fee, the Transportation Sustainability Fee (TSF), will be charged to certain development projects and shall be calculated per gross square foot (gsf) of the development project, multiplied by the appropriate rate for each use:

- Residential Uses, 21-99 units: $7.74;
- Residential Uses, any units above 99 units : $8.74;
- Non-Residential Uses, 800-99,999 (gsf): $18.04;
- Non-Residential Uses, any gsf above 99,999: $19.04; and
- Production, Distribution and Repair (PDR) Uses: $7.61.

The TSF will be charged to both residential and non-residential developments that result in:

- more than 20 new dwelling units;
- new group housing facilities, or additions of 800 gsf or more to an existing group housing facility;
- new construction of non-residential use in excess of 800 gsf, or addition of 800 square feet or more to an existing non-residential use;
- new construction of a PDR use in excess of 1,500 gsf, or additions of 1,500 gsf or more to an existing PDR use; or
- change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).

City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Hospitals would not be exempt from the TSF. In addition, the Ordinance provides that projects that have an application on file, but have not been approved, shall pay reduced rates. Projects that filed an application after July 21, 2015, shall pay the full residential TSF rate, and a reduced rate for non-residential uses. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, October 16, 2015.

Angela Calvillo
Clerk of the Board

DATED/POSTED: October 8, 2015
PUBLISHED: October 9 & 16, 2015

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No 554-5184
Fax No. 554-5163
TTD/TTY No. 5545227

公聽會通知

日期: 2015年10月19日星期一

時間: 下午1時30 分

地點: 立法會議廳, 市政廳, 250室,
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

議題: 檔案號碼 150790。該條例修訂規劃法規，通過訂立一項新的全市交通可持續費用及暫停現行交通影響發展費用的申請，除非一些例外情況，否則交通可持續費用實施仍有效；修訂第401條款旨在增加定義以反映這些變更；修訂第406條款旨在豁清可負擔房屋及無家可歸者的庇護所均可豁免交通可持續費用；修訂均須符合規劃法規第4條所規定的區域規劃費用；確認規劃局的裁定依據「加州環境質量法」（California Environmental Quality Act）；以及作出裁斷，包括一般裁斷，公眾需要、設施及福利的裁斷，以及與總體計劃及規劃法規第101.1條款的八項優先政策相一致的裁斷。

Angela Calvillo
市參事委員會書記

日期: October 8, 2015
張貼/公佈/郵寄: October 9 and 16, 2015

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No 554-5184
Fax No. 554-5163
TTD/TTY No. 5545227

NOTIFICACIÓN DE AUDIENCIA PÚBLICA

Fecha: **Lunes, 19 de octubre de 2015**

Hora: **1:30 p.m.**

Lugar: **Cámara Legislativa, Alcaldía, Sala 250,**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

Asunto: **Archivo No. 150790.** Ordenanza que enmienda el Código de Planificación mediante el establecimiento de una nueva Tarifa de Sostenibilidad del Transporte a lo largo de toda la ciudad y suspende la aplicación de la Tarifa de Desarrollo debido al Impacto en el Tránsito existente, con algunas excepciones, siempre y cuando la Tarifa de Sostenibilidad del Transporte continúe en vigor; enmendando la Sección 401 para añadir definiciones que reflejan estos cambios; enmendando la Sección 406 para clarificar las exenciones de la Tarifa de Sostenibilidad del Transporte para la vivienda asequible y los refugios para las personas sin hogar; realizando enmiendas conformes a la Tarifa del Plan de Área en el Código de Planificación, Artículo 4; afirmando la determinación del Departamento de Planificación bajo la Ley de Calidad Ambiental de California; y formulando conclusiones, incluyendo conclusiones generales, conclusiones sobre la necesidad, conveniencia, y bienestar público, conclusiones sobre la consistencia con el Plan General, y las ocho políticas prioritarias del Código de Planificación, Sección 101.1.

Angela Calvillo
Secretaria de la Junta

Fechado: 8 de octubre de 2015
Publicado: 9 y 16 de octubre de 2015

CALIFORNIA NEWSPAPER SERVICE BUREAU

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Victor Young
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1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

EXM 2803812

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description vy Fee Ad 150790 Land Use 10/19/15

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/09/2015 , 10/16/2015

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THE DAILY TRANSCRIPT, SAN DIEGO	(619) 232-3486
THE INTER-CITY EXPRESS, OAKLAND	(510) 272-4747

* A 0 0 0 0 0 3 8 9 6 7 3 3 *

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: October 19, 2015
Time: 1:30 p.m.
Location: Legislative Chamber, Room 250, located at City Hall - 1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: File No. 150790. Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience, and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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The TSF will be charged to both residential and non-residential developments that result in:

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☐ new construction of non-residential use in excess of 800 gsf, or addition of 800 square feet or more to an existing non-residential use;
☐ new construction of a PDR use in excess of 1,500 gsf, or additions of 1,500 gsf or more to an existing PDR use; or
☐ change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).

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matter will be available for public review on Friday, October 16, 2015.
Angela Calvillo, Clerk of the Board

SAN FRANCISCO ◆ SINCE 1865
Examiner

SAN MATEO COUNTY: 650-556-1556
SAN FRANCISCO CALL: 415-314-1835

SAN FRANCISCO EXAMINER ☐DALY CITY INDEPENDENT ☐SAN MATEO WEEKLY ☐REDWOOD CITY TRIBUNE ☐ENQUIRER-BULLETIN ☐FOSTER CITY PROGRESS ☐MILLBRAE - SAN BRUNO SUN ☐BOUTIQUE & VILLAGER

CALTRAIN
PUBLIC HEARING & MEETINGS NOTICE

Proposed Changes to Codified Tariff

Public Hearing

The Peninsula Corridor Joint Powers Board will hold a public hearing and take public comment on proposed adjustments to its Codified Tariff, which sets fare policy. The effective date would be Feb. 28, 2016 for transit tickets and July 1, 2016 for parking permits.

Proposals to be considered include:

A. Increasing the base adult fare by 50 cents. Day Pass, 8-ride Ticket, Monthly Pass and Clipper one-way discount would increase based on the cash fare. Eligible Discount fares would remain approximately 50 percent of the adult fares, and Clipper discount would remain about 15 percent.
B. Increasing daily parking fee from $5.00 to $5.50 and monthly parking permit fee from $50 to $55.

The public hearing will be held:

Thursday, Nov. 5, 2015 at 10 a.m.
Caltrain Administrative Office
1250 San Carlos Ave., San Carlos

The draft fare chart is available for viewing at the Caltrain Administrative Office or online at www.caltrain.com/tariff.

Prior to the hearing, comments may be sent by mail, e-mail or phone to:
Peninsula Corridor Joint Powers Board, JPB Secretary
P.O. Box 3006, San Carlos, CA 94070-1306
changes@caltrain.com * 1.800.660.4287 (TTY 650.508.6448)

Public Meetings

Caltrain will hold four public meetings to present the proposal and receive comments. The meetings will take place:

Saturday, Oct. 10 at 11 a.m.
Gilroy Senior Center, 7371 Hanna St., Gilroy

Wednesday, Oct. 14 at 1 p.m.
Caltrain administrative offices, Auditorium, 1250 San Carlos Ave., San Carlos

Thursday, Oct. 15 at 4 p.m.
San Francisco Caltrain Station, under the clock, 700 Fourth St., San Francisco

Monday, Oct. 19 at 6 p.m.
City Hall, Plaza Conference Room, 500 Castro St., Mountain View

For translation in one of the languages below, call Caltrain at 1.800.660.4287 three days before the meeting.

[redacted]

CNS#2799146

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN THAT the San Carlos Planning Commission will hold a public hearing pursuant to San Carlos Municipal Code Chapter 18.35 in the Council Chambers, City Hall, 600 Elm Street, San Carlos, on Monday evening, October 19, 2015 at 7:00 p.m., for the purpose of hearing and considering all comments of all persons interested in or concerned with consideration by the Planning Commission of a recommendation to the City Council regarding amendments to the San Carlos Municipal Code Chapter 18.22, Signs, consisting of corrections, clarifications, and minor improvements.

The code amendment is exempt from California Environmental Quality Act (CEQA) Guidelines per Section 15305 which permits minor alterations in land use limitations.

The project planner is Lisa Porras: (650) 802-4264, e-mail at lporras@cityofsancarlos.org. Staff reports will be available for viewing at www.epackets.net, the San Carlos Library, 610 Elm Street, San Carlos or the Planning Department, 600 Elm Street San Carlos beginning October 15, 2015 and all documents will be available for purchase at .25 per page up to the day of the meeting.

All persons interested in the above are hereby invited to attend this public meeting and hearing and be heard. If you challenge this proposal in court, you may be limited to raising only those issues you or someone else raised at the public meeting and hearing described in this notice, or in written correspondence delivered to the Planning Division at, or prior to, the public meeting and hearing.

Lisa Porras
Principal Planner

CNS#2802988

GOVERNMENT

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE - MONDAY, OCTOBER 19, 2015 - 1:30 PM - LEGISLATIVE CHAMBER, CITY HALL, ROOM 250, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 150972. Urgency Ordinance approving an extension of the interim prohibition on commercial storefront mergers of greater than 799 gross square feet in the proposed Calle 24 Special Use District, which generally includes all lots bounded by 22nd Street, Potrero Avenue, Cesar Chavez Street, Capp Street, and both sides of 24th Street from Capp Street to Bartlett Street, as well as certain additional adjacent lots, for 10 months and 15 days in accordance with California Government Code, Sections 65858, et seq.; 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. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda Information relating to this matter will be available for public review on Friday, October 16, 2015.

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE - MONDAY, OCTOBER 19, 2015 - 1:30 PM - LEGISLATIVE CHAMBER, CITY HALL, ROOM 250, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard: File No. 150845. Ordinance amending the General Plan by revising Map 6 of the Urban Design Element to change the bulk designation shown on the Map for 302 Silver Avenue, Assessor's Block No. 5952, Lot No. 002; adopting and making findings regarding the Mitigated Negative Declaration prepared in compliance with 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. File No. 150846. Ordinance amending the Planning Code and Zoning Map to create the Jewish Home of San Francisco Special Use District located at 302 Silver Avenue, Assessor's Block No. 5952, Lot No. 002; to allow an increase in height within portions of the Special Use District; and adopting findings, including environmental findings about the negative declaration and mitigation monitoring and reporting plan, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. In accordance with San Francisco Administrative Code, Section 67.7-1, persons who are unable to attend the hearings on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record in these matters, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton Goodlett Place, San Francisco, CA 94102. Information relating to these matters is available in the Office of the Clerk of the Board. Agenda Information relating to these matters will be available for public review on October 15, 2015.

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO - LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:
Date: October 19, 2015
Time: 1:30 p.m.
Location: Legislative Chamber, Room 250, located at City Hall - 1 Dr. Carlton B. Goodlett Place, San Francisco, CA
Subject: File No. 150790. Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience, and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.
If the legislation passes, a new Citywide transportation impact fee, the Transportation Sustainability Fee (TSF), will be charged to certain development projects and shall be calculated per gross square foot (gsf) of the development project, multiplied by the appropriate rate for each use:
☐ Residential Uses, 21-99 units:$7.74;
☐ Residential Uses, any units above 99 units :$8.74;
☐ Non-Residential Uses, 800-99,999 (gsf):$16.04;
☐ Non-Residential Uses, any gsf above 99,999:$19.04; and
☐ Production, Distribution and Repair (PDR) Uses:$7.61.
The TSF will be charged to both residential and non-residential developments that result in:
☐ more than 20 new dwelling units;
☐ new group housing facilities, or additions of 800 gsf or more to an existing group housing facility;
☐ new construction of non-residential use in excess of 800 gsf, or addition of 800 square feet or more to an existing non-residential use;
☐ new construction of a PDR use in excess of 1,500 gsf, or additions of 1,500 gsf or more to an existing PDR use; or
☐ change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).
City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Hospitals would not be exempt from the TSF. In addition, the Ordinance provides that projects that have an application on file, but have not been approved, shall pay reduced rates. Projects that filed an application after July 21, 2015, shall pay the full residential TSF rate, and a reduced rate for non-residential uses. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system.
In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, October 16, 2015.
Angela Calvillo, Clerk of the Board

ADVERTISEMENT FOR BIDS
CITY & COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION
INFRASTRUCTURE DIVISION
As-Needed Spot Sewer Replacement No. 34
Contract No. WW-619

Sealed bids will be received at 525 Golden Gate Avenue, 3rd Floor - Tuolumne Room, SF, CA 94102, until 2:00 P.M. on 11/5/2015. Hard copy versions of plans, specifications and bidding documents are available at 525 Golden Gate Avenue, 1st Floor, Customer Service Desk, SF, CA 94102 for a non-refundable $150 fee paid by cash or by check payable to "SFPUC." Call (415) 551-4603 for further information. A CD version is available for a fee of $10. Visit http://sfwater.org/contracts for updates.
This Project is subject to compliance monitoring and enforcement of prevailing wage requirements by the California Department of Industrial Relations ("DIR") and the San Francisco Office of Labor Standards Enforcement. No contractor or subcontractor may be listed in a bid for a public works project and no contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR per California Labor Code Section 1725.5 [with limited exceptions from this requirement for bid purposes only under California Labor Code Section 1771.1(a)].
The objective of the project is to provide contingency-based as-needed replacement of sections of existing sewer pipelines on short notice at locations to be determined within the City and County of San Francisco. The work is to be performed in SF, CA. The Engineer's estimate is $8,000,000. The Contract will be awarded to the lowest responsible and responsive bidder.
Bid discounts may be applied as per San Francisco Administrative Code Chapter 14B. The LBE Subcontracting Participation Requirement is 20% and ONLY San Francisco

BOARD of SUPERVISORS

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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Monday, September 21, 2015**

Time: **1:30 p.m.**

Location: **Legislative Chamber, Room 250, located at City Hall**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **File No. 150790**. Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience, and welfare, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

If the legislation passes, a new Citywide transportation impact fee, the Transportation Sustainability Fee (TSF), will be charged to certain development projects and shall be calculated per square foot of the development project multiplied by the appropriate rate for each use:

- Residential Uses: $7.74;
- Non-Residential Uses: $18.04; and
- Production, Distribution and Repair Uses: $7.61.

The TSF will be charged to both residential and non-residential developments that result in:

- more than 20 new dwelling units;
- new group housing facilities, or additions of 800 gross square feet or more to an existing group housing facility;
- new construction of non-residential or production, distribution and repair (PDR) use in excess of 800 gross square feet, or addition of 800 square feet or more to an existing non-residential or PDR use; or
- change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).

City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, September 18, 2015.

Angela Calvillo
Clerk of the Board

DATED/POSTED: September 9, 2015
PUBLISHED: September 11 & 17, 2015

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No 554-5184
Fax No. 554-5163
TTD/TTY No. 5545227

NOTIFICACIÓN DE AUDIENCIA PÚBLICA

Fecha: **Lunes, 21 de septiembre de 2015**

Hora: **1:30 p.m.**

Lugar: **Cámara Legislativa, Alcaldía, Sala 250,**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

Asunto: **Archivo No. 150790. Ordenanza que enmienda el Código de Planificación mediante el establecimiento de una nueva Tarifa de Sostenibilidad del Transporte a lo largo de toda la ciudad y suspende la aplicación de la Tarifa de Desarrollo debido al Impacto en el Tránsito existente, con algunas excepciones, siempre y cuando la Tarifa de Sostenibilidad del Transporte continúe en vigor; enmendando la Sección 401 para añadir definiciones que reflejan estos cambios; enmendando la Sección 406 para clarificar las exenciones de la Tarifa de Sostenibilidad del Transporte para la vivienda asequible y los refugios para las personas sin hogar; realizando enmiendas conformes a la Tarifa del Plan de Área en el Código de Planificación, Artículo 4; afirmando la determinación del Departamento de Planificación bajo la Ley de Calidad Ambiental de California; y formulando conclusiones, incluyendo conclusiones generales, conclusiones sobre la necesidad, conveniencia, y bienestar público, conclusiones sobre la consistencia con el Plan General, y las ocho políticas prioritarias del Código de Planificación, Sección 101.1.**

Angela Calvillo
Secretaria de la Junta

FECHADO: 9 de septiembre de 2015

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No 554-5184
Fax No. 554-5163
TTD/TTY No. 5545227

公聽會通知

日期: 2015年9月21日星期一

時間: 下午1時30 分

地點: 立法會議廳, 市政廳, 250室,
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

議題: 檔案號碼 150790。 該條例修訂規劃法規，通過訂立一項新的全市交通可持續費用及暫停現行交通影響發展費用的申請，除非一些例外情況，否則交通可持續費用實施仍有效；修訂第401條款旨在增加定義以反映這些變更；修訂第406條款旨在釐清可負擔房屋及無家可歸者的庇護所均可豁免交通可持續費用；修訂均須符合規劃法規第4條所規定的區域規劃費用；確認規劃局的裁定依據「加州環境質量法」（California Environmental Quality Act）；以及作出裁斷，包括一般裁斷，公眾需要、設施及福利的裁斷，以及與總體計劃及規劃法規第101.1條款的八項優先政策相一致的裁斷。

Angela Calvillo
市參事委員會書記

日期: September 9, 2015

New Order

Your Order is sent.

Customer Information

Customer Name	S.F. BD OF SUPERVISORS (NON-CONSECUTIVE)	**Master Id**	52704
Address	1 DR CARLTON B GOODLETT PL #244	**Phone**	4155547704
City	SAN FRANCISCO	**Fax**	4155547714
State - Zip	CA - 94102		

Product Information

Legal	GOVERNMENT - GOVT PUBLIC NOTICE

Order Information

Attention Name	AA	**Billing Reference No.**	95441 Save
Ad Description	LU 150790 Fee Ad 092115	**Sale/Hrg/Bid Date**	-
Special Instructions	-		

Orders Created

Order No.	Newspaper Name	Publishing Dates	Ad	Price Description	Price	Ad Status
2793634	SAN FRANCISCO EXAMINER 10%, CA **Billed To:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES) **Created For:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)	09/11/2015, 09/17/2015	**Depth :** 11.84" **Lines :** 143	**$3.7500 143 lines * 2 Inserts[$1072.50] $ 10% set aside [$-107.25]**	**$965.25**	Sent

Order No.	Newspaper	View
2793634	SAN FRANCISCO EXAMINER 10%	**View Ad In PDF**

NOTICE OF PUBLIC HEARING LAND USE AND TRANSPORTATION COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS SEPTEMBER 21, 2015 - 1:30 PM LEGISLATIVE CHAMBER, ROOM 250, LOCATED AT CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 150790. Ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Planning Code, Article 4; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings, including general findings, findings of public necessity, convenience, and welfare, and findings of

consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.
If the legislation passes, a new Citywide transportation impact fee, the Transportation Sustainability Fee (TSF), will be charged to certain development projects and shall be calculated per square foot of the development project multiplied by the appropriate rate for each use:

- Residential Uses:$7.74;
- Non-Residential Uses:$18.04; and
- Production, Distribution and Repair Uses:$7.61.

The TSF will be charged to both residential and non-residential developments that result in:

- more than 20 new dwelling units;
- new group housing facilities, or additions of 800 gross square feet or more to an existing group housing facility;
- new construction of non-residential or production, distribution and repair (PDR) use in excess of 800 gross square feet, or addition of 800 square feet or more to an existing non-residential or PDR use; or
- change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).

City projects, state or federal projects, affordable housing projects, small businesses, and certain non-profit projects would be exempt from the TSF. Funds collected shall be held in trust by the Treasurer and distributed, according to the budgetary provisions of the Charter and the Mitigation Fee Act, in order to mitigate the impacts of new development on the City's public transportation system.
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NOTICE OF PUBLIC HEARING LAND USE AND TRANSPORTATION COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS SEPTEMBER 21, 2015 - 1:30 PM LEGISLATIVE CHAMBER, ROOM 250, LOCATED AT CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

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SAN FRANCISCO ◆ SINCE 1865
Examiner
PUBLIC NOTICES
SAN MATEO COUNTY: 650-556-1556
SAN FRANCISCO CALL: 415-314-1835
SAN FRANCISCO EXAMINER • DALY CITY INDEPENDENT • SAN MATEO WEEKLY • REDWOOD CITY TRIBUNE • ENQUIRER-BULLETIN • FOSTER CITY PROGRESS • MILLBRAE - SAN BRUNO SUN • BOUTIQUE & VILLAGER

GOVERNMENT

SAN FRANCISCO PLANNING COMMISSION NOTICE OF HEARINGS

Notice is hereby given to the general public that applications involving the properties/ and or issues described below have been filed with the Planning Department for review as set forth in the City Planning Code. The Planning Commission will hold a **PUBLIC HEARING** on these items and on other matters on **Thursday, October 1, 2015 beginning at 12:00 p.m. (noon) or later, in City Hall, 1 Dr. Carlton B. Goodlett Place (formerly Polk Street), Room 400.**

2012.0865C,VAR: 1198 VALENCIA STREET – northwest corner of Valencia and 23rd Streets; Lot 014 in Assessor's Block 3635 – Request for Conditional Use Authorization pursuant to Planning Code Sections 121.1, 151.1, 202.5 and 303, to demolish an automobile service station and construct a 60,400 gross square foot, five-story, 55-foot tall building consisting of up to 52 dwelling units, approximately 5,100 square feet of commercial space, and up to 39 off-street parking spaces in a basement level garage. The project also requires a variance from Planning Code Section 136 (obstructions over streets and alleys) and rear yard modification pursuant to Planning Code Section 134(e) which the Zoning Administrator will consider following the Planning Commission's consideration of the request for Conditional Use Authorization. The subject property is located within the Valencia Street Neighborhood Commercial Transit (NCT) District and a 55-X Height and Bulk District. This notice also meets Section 312 requirements for public notification. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to San Francisco Administrative Code Section 31.04(h). **For further information, call Doug Vu at (415) 575-9120, or via e-mail at doug.vu@sfgov.org and ask about Case No 2012.0865C,VAR.**

Persons who are unable to attend the scheduled Planning Commission hearing may submit written comments regarding these cases to the individuals listed for each case above at the Planning Department, 1650 Mission Street, 4th Floor, San Francisco, CA 94103. Comments received by 9:30 a.m. on the day of the hearing will be made a part of the official record and will be brought to the attention of the Planning Commission.

Pursuant to Government Code § 65009, if you challenge, in court, the approval of a conditional use, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing.

Scott Sanchez
Zoning Administrator
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

NOTICE OF PUBLIC HEARING LAND USE AND TRANSPORTATION COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS SEPTEMBER 21, 2015 - 1:30 PM LEGISLATIVE CHAMBER, ROOM 250, LOCATED AT CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

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- change or replacement of use of a lower fee category to a higher fee category, regardless of whether the existing use previously paid the TSF or the Transportation Impact Development Fee (TIDF).

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Angela Calvillo
Clerk of the Board

NOTICE OF REGULAR MEETING SAN FRANCISCO BOARD OF SUPERVISORS LAND USE AND TRANSPORTATION COMMITTEE SEPTEMBER 14, 2015 - 1:30 PM CITY HALL, LEGISLATIVE CHAMBER, ROOM 250 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

The agenda packet and legislative files are available at www.sfbos.org, in Rm 244 at the address listed above, or by calling (415) 554-5184.

FINDING OF NO SIGNFICANT IMPACT AND NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS
September 11, 2015
Mayor's Office of Housing and Community Development,
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Eugene.flannery@sfgov.org
415-799-6605

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the San Francisco Housing Authority and the Mayor's Office of Housing and Community Development of the City and County of San Francisco.

REQUEST FOR RELEASE OF FUNDS

On or about October 13, 2015 the Mayor's Office of Housing and Community Development(MOHCD) will authorize the San Francisco Housing Authority to submit a request to the United States Department of Housing and Urban Development, Office of Public and Indian Housing for authority to convert public housing at 2698 California Street, San Francisco, CA to funding under the federal Rental Assistance Demonstration Program (RAD) under the United States Housing Act of 1937, as amended and/ or The Consolidated and Further Continuing Appropriations Act of 2012, Public Law 112-55. Under RAD, the SFHA will transfer ownership and management of 2698 California Street for rehabilitation by an affordable housing developer, in order to leverage additional private resources as allowed under RAD, and will convert public housing's Annual Contributions Contract ("ACC") public housing assistance to RAD project-based Section 8 vouchers ("PBVs") for the existing ACC-assisted units. The development will receive increased rent subsidies while continuing to be 100 percent affordable for low-income households. A partnership will be created comprised of a non-profit housing corporation, and a Limited partner Tax Credit investor to leverage additional funds for rehabilitation of the property. The Authority will ground lease the property to the partnership. The Authority expects to have a Right of First Refusal and Option to Purchase the buildings back from the partnership after the 15 year tax credit compliance period for outstanding debt plus exit taxes. The financing for the property will be a combination of tax-exempt bonds and tax credit equity. The tax credit equity does not have to be paid back provided the property continues to serve low income households. The Low Income Housing Tax Credit Program requirements remain in place for 55 years. Upon transfer of title, the property will be contained to be used for the provision of housing for income eligible residents. Unit density will not change. Repairs to the various elements and systems listed below will be made and deferred maintenance items will be addressed.

Main areas of focus include structural (extensive interior seismic structural framing with concealed steel tube collectors, PSL (parallel strand lumber) beams, strengthening existing steel beams and new shear plywood at (E) walls), electrical (new switchgear connected to existing pull section), new lighting, new roof replacement, integrated pest management, new plumbing system, renovate existing solar hot water system, boiler replacement and fire alarm system upgrades. Five units will be upgraded to meet mobility standards plus renovation to create 2 units with accessible features for persons with communication disabilities. Exterior stucco and wood siding will be repaired along with replacement of windows and balcony upgrades (replacement of existing guardrails with code-complying similar configuration). Ground floor common area will be reconfigured to add more community space (2/3 of (E) loggia facing Scott and California will be in-filled), address soft story condition, sidewalk replacement and backyard landscaping.

FINDING OF NO SIGNIFICANT IMPACT

MOHCD has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at the MOHCD, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. It is available for review and may be examined or copied weekdays 9:00 A.M to 5:00 P.M. The Environmental Review Records, including mitigation measures, are also available for review and downloading at http://sf-moh.org/index.aspx?page=155.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to Eugene T. Flannery at the San Francisco Mayor's Office of Housing and Community Development at 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. All comments received by 5:00 P.M. on October 12, 2015, will be considered by the MOHCD prior to submitting a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

MOHCD certifies to the HUD that Olson Lee, in his capacity as Director of MOHCD, consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows MOHCD to use Program funds.

OBJECTIONS

HUD will accept objections to the Responsible Entity's (RE) Request for Release of Funds and Environmental Certification for a period of fifteen days following the submission date specified above or the actual receipt of the request (whichever is later) only if they are on the following bases: (a) the certification was not executed by the Certifying Officer of the RE; (b) the RE has omitted a step or failed to make a determination or finding required by HUD regulations at 24 CFR part 58 or by CEQ regulations at 40 CFR 1500-1508, as applicable; (c) the RE has omitted one or more steps in the preparation, completion or publication of the Environmental Assessment or Environmental Impact Study per 24 CFR Subparts E, F or G of Part 58, as applicable; (d) the grant recipient or other participant in the development process has committed funds for or undertaken activities not authorized by 24 CFR Part 58 before release of funds and approval of the environmental certification; (e) another Federal, State or local agency has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to Office of Community Planning and Development, United States Department of Housing and Urban Development at 600 Harrison Street, 3rd Floor, San Francisco, CA 94107. Potential objectors should contact HUD to verify the actual last day of the objection period.

Katha Hartley
Deputy Director
Mayor's Office of Housing and Community Development, City and County of San Francisco
Certifying Officer

CITATION
SUPERIOR COURT FOR THE STATE OF CALIFORNIA FOR THE CITY AND COUNTY OF SAN FRANCISCO
UNITED FAMILY COURT
Case Number: JD14-3358
In the Matter of: S.W., A Minor
To: **ALICIA L. WALLACE, Mother and BRADLEY B. POSNER-PEDRO aka BRADLEY G. POSNER,** Alleged Father; and any other persons(s) claiming to be the Parent(s) of said minor.

You are hereby notified that the San Francisco Juvenile Dependency Court has ordered a hearing pursuant to Welfare and Institutions Code Section 366.26, to determine whether your parental rights should be terminated and your child(ren) be freed from your custody and control for the purpose of having him adopted.

BY ORDER OF THIS COURT, you are hereby cited and required to appear before this Court on the day of **November 18, 2015 at 1:15 p.m.,** at the Juvenile Dependency Court, 400 McAllister Street, **Room 425,** San Francisco, California, then and there to show cause, if any you have, why said minor(s) should not be declared free from the custody and control of his parent(s). This proceeding is for the purpose of developing a permanent plan for the child(ren), which could include adoption.

If you appear on the above-mentioned date in the above-mentioned courtroom, the Judge will advise you of the nature of the proceedings, the procedures, and possible consequences of the entitled action. The parent(s) of the minor(s) have the right to have an attorney present and, if the parent(s) cannot afford an attorney, the Court will appoint an attorney for the parent(s).

Dated: August 25, 2015
Cat Valdez, Legal Assistant
for Petitioner, Department of Human Services (415) 554-3635
By: ANNIE TOY, Deputy Clerk

NOTICE OF AVAILABILITY OF DRAFT 2014-2015 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

The Mayor's Office of Housing and Community Development (MOHCD) and Office of Economic and Workforce Development (OEWD) announce the availability of the Draft 2014-2015 Consolidated Annual Performance and Evaluation Report (CAPER) for public review and comment from September 4, 2015 through September 18, 2015. The CAPER represents the annual report of the City and County of San Francisco's implementation of the following four federal programs during program year 2014-2015:

- Community Development Block Grant (CDBG);
- Emergency Solutions Grant (ESG);
- HOME Investment Partnership (HOME); and,
- Housing Opportunities for Persons With AIDS (HOPWA).

The Draft 2014-2015 CAPER will be available for review beginning September 4, 2015. The draft document will be available electronically on MOHCD's website at www.sfmohcd.org and at the following locations:

- MOHCD, 1 South Van Ness Avenue, 5th Floor
- Main Branch of the San Francisco Public Library, 100 Larkin Street, 5th Floor, Government Information Center.

Members of the public who wish to provide feedback on the Draft CAPER document may do so by submitting written comments to: MOHCD, Draft 2014-2015 CAPER Staff, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. The deadline for receiving written comments is Friday, September 18, 2015 at 5:00 p.m.

CIVIL

ORDER TO SHOW CAUSE FOR CHANGE OF NAME
Case No. CIV 535129
Superior Court of California, County of San Mateo
Petition of: Karim S. Fahmy for Change of Name
TO ALL INTERESTED PERSONS:
Petitioner Karim S. Fahmy filed a petition with this court for a decree changing names as follows:
Karim Safwat Fahmy to Kareem Safwat Fahmy
The Court orders that all persons interested in this matter appear before this court at the hearing indicated below to show cause, if any, why the petition for change of name should not be granted. Any person objecting to the name changes described above must file a written objection that includes the reasons for the objection at least two court days before the matter is scheduled to be heard and must appear at the hearing to show cause why the petition should not be granted. If no written objection is timely filed, the court may grant the petition without a hearing.
Notice of Hearing:
Date: 10-16-15, Time: 9:00 a.m., Dept.: PJ, Room: 2D
The address of the court is 400 County Center, Redwood City, CA 94063
A copy of this Order to Show Cause shall be published at least once each week for four successive weeks prior to the date set for hearing on the petition in the following newspaper of general circulation, printed in this county: The Examiner
Date: 9/1/15
J.L. Grandsaert
Judge of the Superior Court
9/11, 9/18, 9/25, 10/2/15
NPEN-2793542#
EXAMINER - BOUTIQUE & VILLAGER

ORDER TO SHOW CAUSE FOR CHANGE OF NAME
Case No. 535058
Superior Court of California, County of SAN MATEO
Petition of: Andrea Hyegene Kim for Change of Name
TO ALL INTERESTED PERSONS:
Petitioner Andrea Hyegene Kim filed a petition with this court for a decree changing names as follows:
Andrea Hyegene Kim to Andrea Hyejin Kim
The Court orders that all persons interested in this matter appear before this court at the hearing indicated below to show cause, if any, why the petition for change of name should not be granted. Any person objecting to the name changes described above must file a written objection that includes the reasons for the objection at least two court days before the matter is scheduled to be heard and must appear at the hearing to show cause why the petition should not be granted. If no written objection is timely filed, the court may grant the petition without a hearing.
Notice of Hearing:
Date: 10/09/2015, Time: 9:00 AM, Dept.: PJ
The address of the court is 400 County Center, Redwood City CA 94063
A copy of this Order to Show Cause shall be published at least once each week for four successive weeks prior to the date set for hearing on the petition in the following newspaper of general circulation, printed in this county: EXAMINER - REDWOOD CITY TRIBUNE
Date: 8/24/15
John Grandsaert, Judge of the Superior Court
9/4, 9/11, 9/18, 9/25/15
SPEN-2791700#
EXAMINER - REDWOOD CITY TRIBUNE

FICTITIOUS BUSINESS NAMES

FICTITIOUS BUSINESS NAME STATEMENT
File No. 266512
The following person(s) is (are) doing business as:
Kadle Candles, 457 Wyandotte Ave, Daly City, CA 94014
is (are) hereby registered by the following owner(s):
Karl Dominique Silva, 457 Wyandotte Ave, Daly City, CA 94014
This business is conducted by an Individual
The registrant commenced to transact business under the fictitious business name or names listed above on 08/25/2015.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
S/Karl Dominique Silva
This statement was filed with the County Clerk of San Mateo County on 08/21/2015.
Mark Church, County Clerk
By: Glenn S Changlin, Deputy
A Fictitious Business Name Statement expires five years from the date it was filed in the office of the County Clerk. The filing of this statement does not of itself authorize the use in this state of a Fictitious Business Name in violation of the rights of another under Federal, State, or common law (See Section 14411 et seq., Business and Professions Code).
9/11, 9/18, 9/25, 10/2/15
NPEN-2793021#
EXAMINER - BOUTIQUE & VILLAGER

Ausberry, Andrea

From: Andrea.Ruiz-Esquide@sfgov.org
Sent: Friday, September 11, 2015 10:33 AM
To: Ausberry, Andrea
Cc: Givner, Jon (CAT)
Subject: RE: Substitute Version - 150790 - Noticed

PRIVILEGED AND CONFIDENTIAL

Hi Andrea,

Jon and I just discussed, and we agree it does not need to be re-noticed.
Thanks,

Andrea

Andrea Ruiz-Esquide
Deputy City Attorney
City Hall Room 375
San Francisco, CA 94102
Tel: (415) 554-4618
Fax: (415) 554-4757
email: andrea.ruiz-esquide@sfgov.org

From: "Ausberry, Andrea" <andrea.ausberry@sfgov.org>
To: "Ruiz-Esquide, Andrea (CAT)" <andrea.ruiz-esquide@sfgov.org>,
Cc: "Givner, Jon (CAT)" <jon.givner@sfgov.org>
Date: 09/11/2015 10:13 AM
Subject: RE: Substitute Version - 150790 - Noticed

Hi Andrea,

The attached Ordinance was noticed due to new fee/increase prior to the September 8th, substituted version.

Does the substituted version affect prior noticing? Please advise.

Best,

Andrea S. Ausberry
Assistant Clerk
Land Use and Transportation Committee
San Francisco Board of Supervisors
Office 415.554.4442
Website | http://www.sfbos.org/
Follow Us! | Twitter

Click here to complete a Board of Supervisors Customer Service Satisfaction form.

The Legislative Research Center provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

[attachment "150790-2.docx" deleted by Andrea Ruiz-Esquide/CTYATT] [attachment "150790-3.docx" deleted by Andrea Ruiz-Esquide/CTYATT]

OFFICE OF THE MAYOR
SAN FRANCISCO

EDWIN M. LEE
MAYOR

2015 SEP -3 PM 3:04

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Substitute Ordinance - # 150790 - Planning Code - Establishing a New Citywide Transportation Sustainability Fee
DATE: September 8, 2015

Attached for introduction to the Board of Supervisors is a substitute ordinance amending the Planning Code by establishing a new citywide Transportation Sustainability Fee and suspending application of the existing Transit Impact Development Fee, with some exceptions, as long as the Transportation Sustainability Fee remains operative; amending Section 401 to add definitions reflecting these changes; amending Section 406 to clarify affordable housing and homeless shelter exemptions from the Transportation Sustainability Fee; making conforming amendments to the Area Plan fees in Article 4 of the Planning Code; affirming the Planning Department's determination under the California Environmental Quality Act, and making findings, including general findings, findings of public necessity, convenience and welfare, and findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.

Please note that this item is co-sponsored by President Breed and Supervisors Wiener and Christensen.

I respectfully request that this item be calendared in Land Use Committee on September 21st, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141