

File No. 180117 Committee Item No. 1
 Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date May 21, 2018

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Referral CEQA 020618 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Referral PC 020618 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Referral SBC 020618 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | CEQA Determination 021618 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Notice Fee Ad 042618 |
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Completed by: Erica Major Date May 17, 2018
 Completed by: Erica Major Date _____

1 [Planning Code - Increasing the Transportation Sustainability Fee for Large Non-Residential
2 Projects]

3 **Ordinance amending the Plannig Code to increase the Transportation Sustainability**
4 **Fee by \$5 (to \$24.04) for Non-Residential Projects larger than 99,999 gross square feet,**
5 **except in the Central South of Market Area Plan area, where the fee for such projects**
6 **would be increased by \$2 (to \$21.04); affirming the Planning Department's**
7 **determination under the California Environmental Quality Act; and making findings of**
8 **public necessity, convenience and welfare, and findings of consistency with the**
9 **General Plan and the eight priority policies of Planning Code Section 101.1.**

10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

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

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

20 (a) The Planning Department has determined that the actions contemplated in this
21 ordinance comply with the California Environmental Quality Act (California Public Resources
22 Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of
23 Supervisors in File No. 180117 and is incorporated herein by reference. The Board affirms
24 this determination.

25 (b) On September 10, 2015, the Planning Commission, in Resolution No. 19454,
adopted findings that the actions contemplated in ~~this~~ the ordinance adopting the original

1 Transportation Sustainability Fee, Ordinance No. 200-15, are were consistent, on balance,
2 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
3 Board adopts these findings as its own and extends them to this ordinance, because this
4 ordinance increases the Transportation Sustainability Fee by a moderate amount, the fee as
5 increased is supported by the nexus study prepared for Ordinance No. 200-15, and the fee as
6 increased is within the recommendations of the feasibility study also prepared for Ordinance
7 No. 200-15. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in
8 File No. 180117, and is incorporated herein by reference.

9 (c) On September 10, 2015, the Planning Commission, in Resolution No. 19454,
10 approved this legislation adopting the original Transportation Sustainability Fee, Ordinance
11 No. 200-15, recommended it for adoption by the Board of Supervisors, and adopted findings
12 that it will serve the public necessity, convenience and welfare. Pursuant to Planning Code
13 Section 302, the Board adopts these findings as its own, and extends them to this ordinance,
14 because this ordinance increases the Transportation Sustainability Fee by a moderate
15 amount, the fee as increased is supported by the nexus study prepared for Ordinance 200-15,
16 and the fee as increased is within the recommendations of the feasibility study also prepared
17 for Ordinance No. 200-15. A copy of said Resolution is on file with the Clerk of the Board of
18 Supervisors in File No. 180117, and is incorporated by reference herein.

19
20 Section 2. The Planning Code is hereby amended by revising Section 411A.5, to read
21 as follows:

22 **SEC. 411A.5. TSF SCHEDULE.**

23 Development Projects subject to the TSF shall pay the following fees, as adjusted
24 annually in accordance with Planning Code Section 409(b).
25

Table 411A.5. TSF Schedule	
Land Use Categories	TSF
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, 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 Health Services, 800-99,999 gsf	\$18.04 for all gsf of Non-Residential uses less than 100,000 gsf.
Non-Residential, except Hospitals and Health Services, all gsf above 99,999 gsf, <u>in all areas of the City except the Central South of Market Area Plan</u>	\$19.04 <u>\$24.04</u> for all gsf of Non-Residential use greater than 99,999 gsf.
<u>Non-Residential, except Hospitals and Health Services, all gsf above 99,999 gsf, in the Central South of Market Area Plan</u>	<u>\$21.04 for all gsf of Non-Residential use greater than 99,999 gsf.</u>
Hospitals	\$18.74 per calculation method set forth in Section 411A.4(d).
Health Services, all gsf above 12,000 gsf	\$11.00 for all gsf above 12,000 gsf
Production, Distribution and Repair	\$7.61

Section 3. Effective Date; Operative Dates.

(a) 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.

(b) This ordinance shall become operative on its effective date, with the following exception: The amendments set forth in Section 2 of this ordinance, in the Table 411A.5. TSF

1 Schedule, pertaining to the Central South of Market Area Plan, shall become operative on the
2 effective date of this ordinance or the effective date of the ordinance in Board File No.
3 180184, whichever is later. If the ordinance in Board File No. 180184 does not become
4 effective, all references to the Central South of Market Area Plan in the Table 411A.5. TSE
5 Schedule in Section 2 of this ordinance shall not become operative.
6

7 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
8 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
9 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
10 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
11 additions, and Board amendment deletions in accordance with the "Note" that appears under
12 the official title of the ordinance.
13

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

16 By: 
17 ANDREA RUIZ-ESQUIDE
Deputy City Attorney

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23
24
25

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 5/7/2018)

[Planning Code - Increasing the Transportation Sustainability Fee for Large Non-Residential Projects]

Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 (to \$24.04) for Non-Residential Projects larger than 99,999 gross square feet, except in the Central South of Market Area Plan area, where the fee for such projects would be increased by \$2 (to \$21.04); affirming the Planning Department's determination under the California Environmental Quality Act; and making 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

On November 17, 2015, the Board of Supervisors passed Ordinance No. 200-15, creating the new Transportation Sustainability Fee, or TSF. The TSF became effective on December 25, 2015. The TSF requires Residential, Non-Residential and Production, Distribution and Repair (PDR) Development Projects in the City to pay a fee, to contribute to the City's provision of transit service necessary to accommodate the population growth related to such Development Projects.

Amendments to Current Law

This ordinance amends the TSF to increase the fee rate for a particular subgroup of Non-residential projects, those larger than 99,999 gross square feet (gsf). The Ordinance increases the fee for these projects by \$5.00 per square feet, from \$19.04 to \$24.04, except in the Central South of Market Area Plan area, where the fee for such projects would be increased by \$2 per square feet, from \$19.04 to \$21.04.

The ordinance includes a provision that says that if the ordinance in Board File No. 180184, related to the Central South of Market Area Plan area, does not become effective, all references to the that area in the Table 411A.5. TSF Schedule in Section 2 of the ordinance shall not become operative.

Background Information

This revised legislative digest was prepared to reflect amendments made to the ordinance in Land Use Committee, on May 7th, 2018.

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SAN FRANCISCO PLANNING DEPARTMENT

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

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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

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

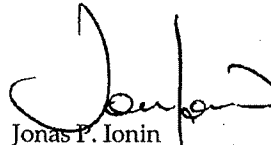
Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

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:

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:

BOARD of SUPERVISORS



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Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

February 6, 2018

File No. 180117

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On January 30, 2018, Supervisor Peskin introduced the following proposed legislation:

File No. 180117

Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 for Non-Residential Projects larger than 99,999 gross square feet; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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

for

By: 
Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

Not defined as a project under CEQA Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Joy Navarrete 2/16/18

Central SoMa Plan: Financial Analysis Results

UPDATE: Sensitivity Analysis + Supervisor Peskin TSF Proposal (UPDATED: 5/7/18)

KEY

	50-75% value capture
	75-100% value capture
	not financially feasible

OFFICE	Tier A&B	Tier C
1. PROTOTYPE	A	A
Baseline zoning	85' MUO	85' SLI
Upzoned prototype	160' MUO	160' MUO
JANUARY 2018 PROPOSAL		
2. FINANCIAL RETURNS		
Land Value capture (2015 assumptions)	75%	74%
Updated 2017 assumptions (7% rent increase, 10% construction cost increase)	99%	86%
<i>Supervisor Peskin proposal: 2017 assumptions + \$5.00 TSF increase</i>	not feasible	90%
<i>5/7 Alternative proposal: \$2.00 TSF increase</i>	not feasible	87%
3. NEW & INCREASED CENTRAL SOMA REQUIREMENTS		
Central SoMa Impact Fee (\$/GSF)	\$21.50	\$0.00
Mello Roos CFD, Non-Residential (\$/NSF/yr)	\$0.00	\$2.75
Community facilities fee (\$/GSF)	\$1.75	\$1.75
PDR (# of FAR)	0.4	0.4
TDR (# of FAR)	0.0	1.25

Assumptions:

Sensitivity analysis reflects two years of escalation for most assumptions that were presented in Central SoMa Financial Analysis (updating them from 2015 to 2017 values). Construction cost increases reflect the FY15-16 and FY16-17 values projected by the Controller Office's Annual Infrastructure Construction Cost Inflation Estimate (AICCE). Real estate revenue data are from Zillow (residential condo), Axionometrics (residential rental), and Jones Lang La Salle (office).

SUBMITTED AND PRESENTED
 5/7/18
 180117

TSF ECONOMIC FEASIBILITY STUDY: NON-RESIDENTIAL PROTOTYPES

Supervisor Peskin TSF Amendment

% Change in Residual Land Value - Updated 3/6/18

Prototype Description*	Lot size	Project size		Residual Land Value (RLV) Change: Supervisor Peskin Amendment + 2017 Cost Escalation**	
		GSF	Height	2017 Sensitivity analysis (cost + revenue escalation)	2017 Sensitivity analysis + Peskin amendment
7. East SoMa	35,000 sf	249,300 sf	160'	-6%	-9%
<i>return on cost (target: 6 to 6.25%)</i>				5.86%	5.83%
10. Transit Center	20,000 sf	384,700 sf	400'	-8%	-12%
<i>return on cost (target: 6 to 6.25%)</i>				5.65%	5.63%

*numbers correspond to prototypes in 2015 TSF Financial Analysis

** RLV change target = <10%

TSF Proposal Analysis: Nonresidential (Office & Hotel) Development Capacity

Greater than or Equal to 100,000 GSF (gross square feet)
 Prepared by SF Planning, Information & Analysis, 03/01/2018, UPDATED 5/7/18
 updated with 3Q 2017 Pipeline

TOTAL ADDITIONAL REVENUE	\$26,429,960	% share:
TOTAL (Central/SoMa)	\$23,267,915	88%
TOTAL (less Central/SoMa)	\$3,162,045	12%

Area	Block/Lot	PROJECT	Alternative Name	Zoned capacity (sq ft)	Current pipeline (sq ft)	Status	Date	PROPOSED RATE WOULD APPLY	CENTRAL SOMA FEE TIER	PROPOSED ADDITIONAL REVENUE (\$5 increase above 100k GSF)	NOTES
Bayview/Hunters Point											
	4884025	HPS/CP: Candlestick Point		124,752	124,752	PL APPROVED	4/10/2014	N		\$0	Development Agreement
	4884025	HPS/CP: Hunters Point Shipyard		623,484	623,484	PL APPROVED	4/10/2014	N		\$0	Development Agreement
	4884025	HPS/CP: Hunters Point Shipyard		1,870,176	1,870,176	PL APPROVED	4/10/2014	N		\$0	Development Agreement
C-3											
	0269028	350 BUSH ST		340,000	340,000	CONSTRUCTION		N		\$0	
	3725093	5M		550,000	550,000	PL APPROVED	1/4/2016	N		\$0	Development Agreement
	3703084	Soft Sites (5) 1		208,272				Y		\$541,360	
	3704045	Soft Sites (5) 2		125,451				Y		\$127,255	
Central City South											
	6594010	CPMC HOSPITAL - ST. LUKE'S CAMPUS		217,600	217,600	CONSTRUCTION	3/31/2017	N		\$0	
Central SoMa											
	3778004	Flower Mart	Flower Mart	1,254,813		PL FILED	7/16/2015	Y	C	\$5,774,065	
	3778005	Flower Mart	Flower Mart	462,245				Y	C	\$1,811,225	
	3778047	Flower Mart	Flower Mart	416,054		PL APPROVED	6/14/2014	Y	C	\$1,580,270	
	3785132	Flower Mart	Academy of Art	338,720				N		\$0	Change of use office to education
	3786014	330-332 Townsend		101,749		PL FILED		Y	C	\$8,745	
	3787028	4th & Townsend (The Creamery site)		291,416				Y	C	\$957,080	
	3778001B	Flower Mart	Flower Mart	293,596				Y	C	\$967,980	
	3762112	4th & Harrison		266,023				Y	A&B/C (split)	\$830,115	
	3762116	4th & Harrison		182,633				Y	C	\$413,165	
	3776025	4th & Brannan (Wells Fargo site)		193,959				Y	C	\$469,795	
	3777045	5th & Brannan (Park Block)		516,560		PL FILED	8/23/2012	Y	C	\$2,082,800	
	3786037	88 BLUXOME ST (645 05TH ST)	Tennis Club	870,540	870,540	PL FILED	12/1/2016	Y	A&B/C (split)	\$3,852,700	
	3786035	620 4th St		187,814	187,814	PL FILED	9/16/2015	Y	C	\$439,070	
	3750003	350 2nd St		206,117				Y	A&B	\$530,585	
	3750086	395 3rd St		163,943				Y	C	\$319,715	
	3763001	400 - 416 02ND ST (2nd & Harrison)		421,516	421,516	PL FILED	4/29/2016	Y	C	\$1,607,580	
	3786038	505 BRANNAN ST (ADDITION TO 2012.1187)		165,000	165,000	PL FILED	10/10/2017	Y	C	\$325,000	
	3786038	501 - 505 BRANNAN ST		132,095	132,095	CONSTRUCTION	10/10/2017	N		\$0	
	3750003	350 2nd (hotel)		157,062				Y	A&B	\$285,310	
	3776455	424 Brannan (hotel)		105,989				Y	A&B	\$29,945	
	3752590	399 5th St (hotel)		101,754				Y	A&B	\$8,770	
	3776039	565 Bryant (hotel)		190,800				Y	A&B	\$454,000	
	3763001	1 Vassar (hotel)		204,000				Y	C	\$520,000	
Eastern Neighborhoods											
	3808003	100 HOOPER ST		284,471	284,471	CONSTRUCTION	10/26/2017	N		\$0	
	3774026	270 BRANNAN ST		171,650	171,650	CONSTRUCTION		N		\$0	
	3774073	274 BRANNAN ST		120,000	120,000	BP ISSUED	10/15/2004	N		\$0	
	3784007	510-520 TOWNSEND ST		268,992	268,992	CONSTRUCTION	10/31/2017	N		\$0	
	3800003	552 BERRY ST / 1 DE HARO ST		115,200	115,200	PL FILED	6/1/2016	Y		\$76,000	
	4052001	MIPS_DENSE_NEW 17		215,280				Y		\$576,400	
	4304002	MIPS_DENSE_NEW 18		290,615				Y		\$953,075	
	4110008A	PIER 70		1,102,250	1,102,250	PL FILED	2/10/2015	N		\$0	

Area	Block/Lot	PROJECT	Alternative Name	Zoned capacity (sq ft)	Current pipeline (sq ft)	Status	Date	PROPOSED RATE WOULD APPLY	CENTRAL SOMA FEE TIER	PROPOSED ADDITIONAL REVENUE (\$5 increase above 100k GSF)	NOTES
Market and Octavia											
	3506002	1500 - 1580 MISSION ST		552,309	552,309	BP ISSUED	10/3/2017	N		\$0	
Mission Bay											
	8727005	1800 - 1900 OWENS ST		680,000	680,000	CONSTRUCTION	10/31/2017	N		\$0	
	8722001	CHASE CENTER (OFFICE)	Warriors Arena	547,000	547,000	BP ISSUED	4/11/2017	N		\$0	
	21	Component 11 (UCSF LRD P) 20		1,318,857				N		\$0	University of California (exempt)
	38	Component 11 (UCSF LRD P) 21		309,941				N		\$0	University of California (exempt)
	8721033	MISSION BAY BLOCK 26		423,000	423,000	CONSTRUCTION	10/26/2017	N		\$0	
	9900048	Mission Rock (PIER 48 / SEAWALL LOT 337)		1,286,200	1,286,200	PL FILED	4/23/2013	N		\$0	Development Agreement
Transbay/Rincon Hill											
	3719010	181 FREMONT ST		492,866	492,866	CONSTRUCTION	10/20/2017	N		\$0	
	3720009	MIPS_DENSE_NEW 22		176,800				Y		\$384,000	
	3708055	OCEANWIDE (FIRST ST TOWER)		790,236	790,236	BP ISSUED	7/5/2017	N		\$0	Grandparented under TIOF
	3735010	Soft Sites (30) 23		167,125				Y		\$335,625	
	3735012	Soft Sites (30) 24		133,666	133,666	PL FILED	9/28/2016	Y		\$168,330	
	3718025	TRANSBAY BLOCK 5		766,745	766,745	CONSTRUCTION	10/18/2017	N		\$0	
	3721016	TRANSBAY PARCEL F		288,677	288,677	PL FILED	2/14/2017	?		\$0	OCII
	3720001	TRANSBAY TOWER / SALESFORCE TOWER		1,700,000	1,700,000	CONSTRUCTION		N		\$0	
Western Addition											
	1077027	Component 11 (UCSF LRD P) 25		172,200				N		\$0	University of California (exempt)
TOTAL				23,658,213	15,226,239						

180117
 SUBMITTANT PRESENTED
 1/3 PGS
 5/7/18

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.			

Nexus Study Justified Nonresidential (excluding PDR)	\$80.68 s/f
Current Fee	\$19.04 s/f
Proposed Fee	\$24.04 s/f

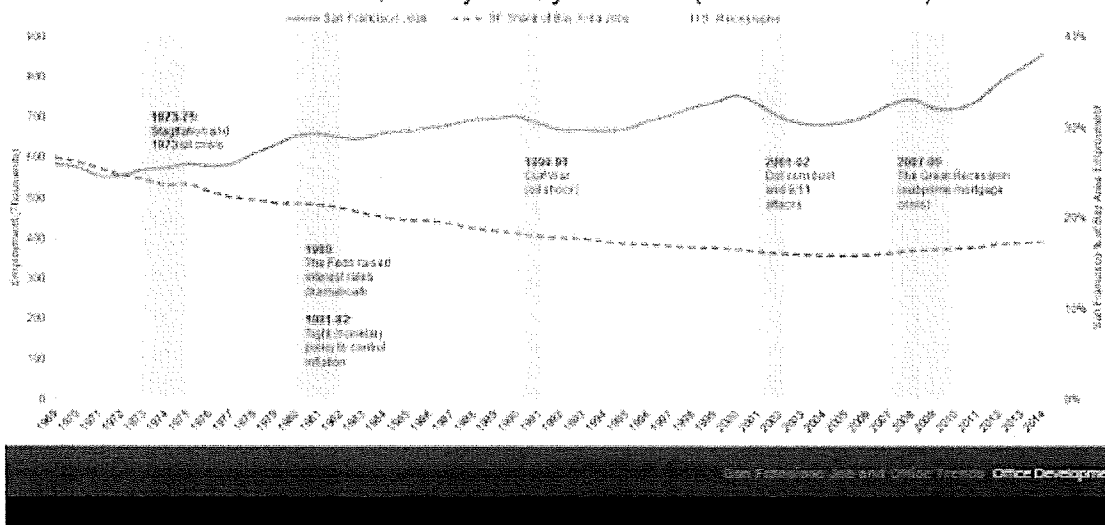
Table E.1: Growth Projections (2010-2040)

	Non-TSF Development ¹	TSF Development	Total
<i>Residential</i>	<i>Housing Units</i>		
Housing Units	47,000	54,400	101,400
Percent	46%	54%	100%
<i>Nonresidential</i>	<i>Employment (Jobs)</i>		
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%
<p>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.</p> <p>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.</p> <p>Sources: Table 2.4.</p>			

Non Residential (excluding PDR) TSF Development
 Annual Rate: 5,320 jobs a year

A. Overall Job Growth Rates: San Francisco

1975-2014:	+ 6,500 jobs/year	(4 recessions)
1985-2014:	+ 4,000 jobs/year	(3 recessions)
1995-2014:	+ 7,500 jobs/year	(2 recessions)
2005-2014:	+ 13,000 jobs/year	(2 recessions)
2010-2014:	+ 30,000 jobs/year	(0 recessions)



"Jobs Office Trends", SF Planning Dept. April 2016



May 11, 2018

The Honorable London Breed, President
The Honorable Katy Tang, Chair, Land Use and Transportation Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, #244
San Francisco, CA 94012

Rich Hillis, President
San Francisco Planning Commission
John Rahaim, Planning Director
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

RE: OPPOSE: File #180117, Increasing the Transportation Sustainability Fee for Non-Residential Projects (Peskin)

Dear President Breed, Supervisor Tang, President Hillis, and Director Rahaim,

The San Francisco Chamber of Commerce, representing thousands of local businesses, opposes Supervisor Peskin's proposed legislation (File #18117) that would increase the Transportation Sustainability Fee (TSF) on non-residential projects over 99,999 square feet.

The TSF, which replaced the Transportation Impact Development Fee (TIDF) in 2015, was crafted by the SFMTA, members of the Board of Supervisors and a diverse group of stakeholders who met together over several years to negotiate a fee structure that would raise much-needed revenue for transit without impeding residential and commercial development. This was a good faith collaborative effort to come to agreement on fees paid by developers for new construction projects across the city, fees which have been producing substantial funding for improvements and upgrades to the city's transportation systems for almost three years.

In February 2016, just two months after the TSF was approved by the Supervisors, former Supervisor John Avalos introduced legislation to further increase the TSF for non-residential development projects over 99,999 square feet by \$2/sf, from \$19.04 to \$21.04/sf. Though narrowly passed by the Board of Supervisors, the legislation was vetoed by the late Mayor Ed Lee on the grounds that the fee structure had been painstakingly worked out and agreed to by all stakeholders, and the increase could potentially have a negative impact on large-scale development projects by making them too costly to undertake.

Now, two years later, Supervisor Peskin is proposing an increase to the TSF of \$5/sf (from \$19.04 to \$24.04/sf) on all new non-residential development projects over 99,999 square feet except in Central SOMA, where the increase would be \$2/sf (from \$19.04 to \$21.04/sf). His proposal comes without stakeholder input, discussion or consensus that the additional increase is prudent and will not cause construction costs to rise beyond feasibility. While it has not yet been before the Planning Commission, which is scheduled to hear it on May 17th, the legislation was heard at the Land Use and Transportation Committee of the Board of Supervisors on May 7th where it was amended regarding Central SOMA, and continued to the Committee's meeting on May 21, 2018.

The San Francisco Chamber of Commerce supports the city reviewing these fees on a regular basis, perhaps every five years, informed by a complete and accurate financial analysis upon which decisions regarding whether to change the fees, on which projects, and by how much are based. We do not support targeting one type of development at random times to impose fee increases without analysis or input, and we therefore urge the Planning Commission and the Board of Supervisors to retain the current TSF fee structure and reject this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Lazarus", with a long horizontal flourish extending to the right.

Jim Lazarus
Senior Vice President, Public Policy
San Francisco Chamber of Commerce

cc: The Clerk of the Board of Supervisors, to be distributed to all Supervisors; Mayor Mark Farrell



San Francisco Group of the San Francisco Bay Chapter

May 17, 2018

Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Re: Support for Ordinance Increasing the Transportation Sustainability Fee for Large Non-Residential Projects (File No: 180117)

Honorable Members of the Board of Supervisors:

The Sierra Club supports the proposed ordinance increasing the Transportation Sustainability Fee (TSF) by \$5 for large Non-Residential projects, except in the Central South of Market Plan Area, where the fee would only be increased by \$2.

However, the Sierra Club also notes that over the next 27 years, the Transportation Task Force 2045 has identified a \$22 billion shortfall for necessary transportation projects. The proposed increase is a good first step in closing that gap, but must be followed by many more that will, sooner rather than later, assess development projects for the true and fair costs of their impacts to transit. This true and fair assessment of impacts to transit should also be extended to the residential and parking projects that support the commercial projects.

It is imperative that local government do what is fully within its power to see that transit expands commensurate with each approved project in order to provide people with alternatives to driving and to fight climate change. The consequences of failing to do so are dire for San Franciscans and the planet, as scientists predict sea level rise, prolonged droughts, and an increase in the frequency and intensity of storms.

Thank you for your consideration.

Susan Vaughan
Member, SF Group Conservation Committee

Howard Strassner, Member SF Group Executive Committee
419 Vicente, San Francisco CA 94116, (415) 661-8786
email: ruthow1@gmail.com

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, May 7, 2018
- 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. 180117. Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 for Non-Residential Projects larger than 99,999 gross square feet; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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 this legislation passes, the Transportation Sustainability Fee (TSF) within the Planning Code, Section 411A.5., for large non-residential project fee rate will increase by \$5.00 per square feet, from \$19.04 to \$24.04. Non-residential, except hospitals and health services, all gross square feet over 99,999 are subject to the proposed TSF Fee Schedule.

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, May 4, 2018.


Angela Calvillo
Clerk of the Board

DATED/POSTED/PUBLISHED: April 26 and May 2, 2018

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

February 6, 2018

File No. 180117

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On January 30, 2018, Supervisor Peskin introduced the following proposed legislation:

File No. 180117

Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 for Non-Residential Projects larger than 99,999 gross square feet; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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

for

Alisa Somera
By: Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, 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

February 6, 2018

Planning Commission
Attn: Jonas Ionin
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Commissioners:

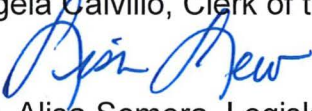
On January 30, 2018, Supervisor Peskin introduced the following legislation:

File No. 180117

Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 for Non-Residential Projects larger than 99,999 gross square feet; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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

for By:  Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

c: John Rahaim, Director of Planning
Aaron Starr, Acting Manager of Legislative Affairs
Scott Sanchez, Zoning Administrator
Lisa Gibson, Environmental Review Officer
AnMarie Rodgers, Senior Policy Advisor
Laura Lynch, Environmental Planning
Joy Navarrete, 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: *ll*
bc Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

DATE: February 6, 2018

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. 180117

Ordinance amending the Planning Code to increase the Transportation Sustainability Fee by \$5 for Non-Residential Projects larger than 99,999 gross square feet; affirming the Planning Department's determination under the California Environmental Quality Act; and making 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

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 2018 JAN 30 PM 4:09
 Time stamp
 or meeting date
 BY B

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only