

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

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3 **Draft Ordinance amending the Planning Code, by adding new Sections 411A through**  
4 **411A.11, to establish a new citywide Transportation Sustainability Fee; amending**  
5 **Section 401 to add definitions reflecting these changes; and making findings, including**  
6 **general findings, environmental findings, Section 302 findings, and findings of**  
7 **consistency with the General Plan and the Priority Policies of Planning Code Section**  
8 **101.1.**

9 NOTE: Additions are *single-underline italics Times New Roman*;  
10 deletions are ~~*strike-through italics Times New Roman*~~.  
11 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough normal~~.

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

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

15 (a) The Planning Department has determined that the actions contemplated in this  
16 Ordinance are in compliance with the California Environmental Quality Act (California Public  
17 Resources Code sections 21000 et seq.) Said determination is on file with the Clerk of the  
18 Board of Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference.

19 (b) On \_\_\_\_\_, the Planning Commission, in Resolution No.  
20 \_\_\_\_\_ approved this legislation, recommended it for adoption by the Board of  
21 Supervisors, and adopted findings that it will serve the public necessity, convenience and  
22 welfare. Pursuant to Planning Code Section 302, the Board adopts these findings as its own.  
23 A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No.  
24 \_\_\_\_\_, and is incorporated by reference herein.  
25

1 (c) In Resolution No. \_\_\_\_\_, the Planning Commission adopted findings that this  
2 legislation is consistent, on balance, with the City's General Plan and the eight priority policies  
3 of Planning Code Section 101.1. The Board adopts these findings as its own.  
4

5 Section 2. The San Francisco Planning Code is hereby amended by adding the  
6 following definitions to Section 401:

7 "Museum." A permanent institution open to the public, which acquires, conserves, researches,  
8 communicates and exhibits the heritage of humanity or the environment.

9 "Senior Housing." A dwelling specifically designed for and occupied by senior citizens, as  
10 defined in Section 102.6.1 of Article 1 of this Code.

11 "TSF Nexus Study." The study commissioned by the Municipal Transportation Agency ("MTA")  
12 and performed by Cambridge Systematics, Inc. and Urban Economics and entitled "San Francisco  
13 Transportation Sustainability Fee Nexus Study – Final Report," dated \_\_\_\_\_, 2012, including all  
14 the technical memoranda and appendices supporting such Final Report, contained in Board of  
15 Supervisors File No. 120524.

16 "Transportation Sustainability Fee, or TSF." The development fee that is the subject of Section  
17 411A et seq. of this Article.

18  
19 Section 3. The San Francisco Planning Code is hereby amended by amending some  
20 definitions in Section 401, to read as follows:

21 "Cultural/Institution/Education (CIE)." An economic activity category subject to the TIDF  
22 and to the TSF that includes, but is not limited to, schools, as defined in Sections 209.3(g), (h),  
23 and (i) and 217(f)-(i) of this Code; child care facilities; museums and zoos; and community  
24 facilities, as defined in Sections 209.4 and 221(a)-(c) of this Code, except that under the TSF it  
25 does not include museums."

1 "Management, Information and Professional Services (MIPS)." An economic activity  
2 category under the TIDF and under the TSF that includes, but is not limited to, office use;  
3 medical offices and clinics, as defined in Section 890.114 of this Code; business services, as  
4 defined in Section 890.111 of this Code; Integrated PDR, as defined in Section 890.49 of this  
5 Code, and Small Enterprise Workspaces, as defined in Section 227(t) of this Code.

6 "Medical and Health Services." An economic activity category under the TIDF and under  
7 the TSF that includes, but is not limited to, those non-residential uses defined in Sections  
8 209.3(a) and 217(a) of this Code; animal services, as defined in Section 224(a) and (b) of this  
9 Code; and social and charitable services, as defined in Sections 209.3(d) and 217(d) of this  
10 Code.

11 "Retail/entertainment." An economic activity category under the TIDF and under the TSF  
12 that includes, but is not limited to, a retail use; an entertainment use; massage  
13 establishments, as defined in Section 218.1 of this Code; laundering, and cleaning and  
14 pressing, as defined in Section 220 of this Code.

15 "Visitor services." An economic activity category under the TIDF and under the TSF that  
16 includes, but is not limited to, hotel use; motel use, as defined in Section 216(c) and (d); and  
17 time-share projects, as defined in Section 11003.5(a) of the California Business and  
18 Professions Code.

19 Section 4. The San Francisco Planning Code is hereby amended by adding new  
20 Sections 411A through 411A.11, to read as follows:

21 **SEC. 411A. TRANSPORTATION SUSTAINABILITY FEE.**

22 Sections 411A.1 through 411A.11, hereafter referred to as Section 411A et seq., set forth the  
23 requirements and procedures for the Transportation Sustainability Fee, or TSF.

24 **SEC. 411A.1. FINDINGS.**

1           (a) In 1973, the San Francisco City Planning Commission (Planning Commission) and  
2 Board of Supervisors adopted the "Transit First Policy" of the General Plan, which aims to restore  
3 balance to a transportation system long dominated by the automobile, and to improve overall mobility  
4 for all residents and visitors when reliance chiefly on the automobile would result in severe  
5 transportation deficiencies. The Transit First Policy encourages multi-modalism, the use of transit and  
6 other alternatives to the single-occupant vehicle as modes of transportation, and gives priority to the  
7 maintenance and expansion of the local transit system and the improvement of regional transit  
8 coordination.

9           (b) When performing environmental impact studies under the California Environmental  
10 Quality Act, (CEQA, Pub. Res. Code Sections 21000 et seq.), the San Francisco Planning Department  
11 (Department) uses the Level of Service (LOS) methodology, which measures automobile delay and  
12 congestion at intersections, as a threshold of significance to assess transportation impacts of proposed  
13 developments within the City. This is consistent with what has been a standard practice nationwide.

14           (c) In 2003, the San Francisco County Transportation Authority (SFCTA) Board issued a  
15 Strategic Analysis Report (SAR) on LOS Methodology. The SAR's goal was to create consistency  
16 between local transportation impact analysis under CEQA and San Francisco's existing multimodal  
17 transportation and environmental policies, including the General Plan's Transit First Policy. The SAR  
18 reached two conclusions. First, it recommended that the auto LOS methodology should be  
19 complemented with improved impact analysis methodologies for all modes of transportation, as well as  
20 for the street system as a whole. Second, the SAR concluded that the CEQA cumulative transportation  
21 impact significance standards should be redefined to address the City's multimodal transportation  
22 policies.

23           (d) In 2008, SFCTA published a study which proposed replacing the CEQA transportation  
24 impact measure based on LOS with a measure based on the number of Automobile Trips Generated by  
25 a project (ATG Study). The ATG Study found that each new automobile trip added onto San

1 Francisco's transportation system contributes to a project's environmental impacts, especially in terms  
2 of pedestrian safety and greenhouse gas emissions.

3 (e) The ATG Study also proposed creating a citywide development impact fee to provide a  
4 new, more effective way to mitigate the impacts of added motorized vehicle trips by funding countywide  
5 and local area transportation projects designed to address transportation system development and  
6 management needs.

7 (f) In 2009, an interagency committee including the SFCTA, MTA, the Planning  
8 Department, and the Office of Economic and Workforce Development (OEWD), worked directly with  
9 the Natural Resources Agency to revise the State's CEQA Guidelines to allow for an alternative  
10 measure to LOS for transportation impacts, which would analyze the effect of development projects on  
11 system-wide transportation performance, as opposed to just congestion and delay at intersections.

12 (g) Later in 2009, in part as a result of that effort, the CEQA Guidelines were amended. The  
13 Natural Resources Agency amended Appendix G of the Guidelines to delete traffic congestion at  
14 intersections as a threshold of significance for transportation impacts. Instead, the revised Appendix G  
15 considers whether a proposed project would "conflict with an applicable plan, ordinance or policy  
16 establishing measures of effectiveness for the performance of the circulation system, taking into  
17 account all modes of transportation including mass transit and non-motorized travel and relevant  
18 components of the circulation system, including but not limited to intersections, streets, highways and  
19 freeways, pedestrian and bicycle paths, and mass transit."

20 (h) Also in 2009, the interagency committee selected Cambridge Systematics, a nationally  
21 recognized transportation consulting firm, to perform a study on a citywide transportation fee to offset  
22 impacts of development projects to the City's transportation network (the Transportation Sustainability  
23 Fee, or TSF.) Cambridge Systematics prepared a nexus study (TSF Nexus Study) and several technical  
24 memoranda, which provided detailed analyses of the methodology and assumptions used in the TSF  
25 Nexus Study.

1           (i) Consistent with these efforts at the state level, the Department, in conjunction with MTA,  
2 SFCTA, and OEWD, has developed the Transportation Sustainability Program (TSP). The TSP relates  
3 two currently distinct aspects of the development process – environmental review and the application of  
4 development impact fees – in order to better meet the City’s longstanding Transit First Policy. The  
5 program has two components: 1) changing the methodology used to analyze transportation impacts  
6 under CEQA by eliminating automobile Level of Service (LOS) as a metric and using instead a metric  
7 that focuses on the overall performance of the transportation system; and 2) establishing a citywide  
8 transportation fee to offset impacts of development projects to the City’s transportation network: the  
9 Transportation Sustainability Fee, or TSF. Taken together, the change to the transportation impact  
10 analysis methodology and the establishment of a citywide transportation impact fee ensures that  
11 development’s cumulative impacts to the transportation system are offset by improvements to the  
12 system as a whole, in line with City policies and priorities.

13           (j) The TSF Nexus Study concluded that new land uses in San Francisco will generate  
14 additional motorized trips, including trips in both private automobiles and on public transportation.  
15 These new motorized trips will substantially impact transit performance, with measurable increases in  
16 transit delay and transit crowding. The TSF Nexus Study confirmed that the impact of development  
17 projects on the current baseline performance standard, defined as transit travel time and transit  
18 crowding as explained in the TSF Nexus Study ("Baseline Performance Standard"), will require transit  
19 service providers to increase spending on projects that reduce transit travel time, increase transit  
20 speed, improve transit reliability and expand transit capacity.

21           (k) The TSF Nexus Study found that all land uses generate motorized trips and  
22 recommended that the TSF apply to all development projects (except for projects that do not generate  
23 net new trips, e.g., projects that are under 800 gross square feet and do not create a new unit.)

24           (l) The TSF Nexus Study further recommended that the City enact legislation to impose a  
25 transportation fee, the Transportation Sustainability Fee or TSF, that would allow transit service

1 providers to maintain their Baseline Performance Standard as development projects occur throughout  
2 the City. This legislation would require sponsors of development projects in the City to pay a fee that is  
3 reasonably related to the financial burden imposed on the City by the development projects. This  
4 financial burden is measured by the cost that will be incurred by transit service providers to implement  
5 projects that reduce travel time and overcrowding in San Francisco. The TSF Nexus Study also  
6 identified categories of projects, contained in the Expenditure Plan, which, if implemented, would  
7 mitigate the impacts of development projects on the transportation system.

8 (m) The TSF Nexus Study justifies charging fee rates higher than those proposed herein.  
9 The Board of Supervisors has elected to reduce the fee rates, and intends to fund the Expenditure Plan  
10 by leveraging fees collected under the TSF to obtain other funds necessary to cover the costs required  
11 to mitigate the impacts of development projects.

12 (n) Based on projected development projects over the next 20 years, the TSF will provide  
13 revenue that the City will use to obtain other funds to mitigate the transit impacts resulting from the  
14 development projects.

15 (o) The amount of fee revenue projected by the TSF Nexus Study permits the City some  
16 flexibility to provide up to forty million dollars (\$40,000,000) in 20XX dollars, over twenty years, in  
17 credits for projects that would otherwise be assessed the fee but that, under the Policy Credits criteria  
18 set forth in Section 411A.6(b) herein, would be exempt from paying the fee.

19 (p) The TSF is an efficient and equitable method of providing funds to mitigate the  
20 transportation demands imposed on the City by development projects.

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

24 (1) The purpose of the fee is to help meet the demands imposed on the City's transit system  
25 by development projects.

1           (2) Funds from collection of the TSF will be used to reduce transit travel time and transit  
2 overcrowding, as reasonably necessary to mitigate the impacts of development on the transportation  
3 system and maintain the Baseline Performance Standard.

4           (3) There is a reasonable relationship between the proposed uses of the TSF and the  
5 impacts of development projects, which will be subject to the TSF, on the transportation system.

6           (4) There is a reasonable relationship between the types of development projects on which  
7 the TSF will be imposed and the need to fund transportation system improvements for the uses specified  
8 in Section 411A.11 of this Article.

9           (5) There is a reasonable relationship between the amount of the TSF to be imposed on  
10 development projects and the impact on transit delay and transit crowding resulting from development  
11 projects.

12           (q) Consistent with the Mitigation Fee Act, it is the Board of Supervisors' intent that  
13 transportation fees in the City shall not be duplicative on development projects. Therefore, after the  
14 effective date of this ordinance, the TSF shall be imposed and collected on development projects in lieu  
15 of any other transportation-related development impact fees imposed by this Code pursuant to the  
16 Mitigation Fee Act, except where the development project is subject to an Area Plan impact fee, a  
17 portion of which is dedicated to transportation improvements, and that portion exceeds the TSF, as set  
18 forth in Section 411A.3(b).

19           If the TSF becomes inoperative for any reason, development projects shall continue to be  
20 subject to any such fees imposed by this Code that were in effect as to the effective date of this  
21 ordinance.

22           **SEC. 411A.2. DEFINITIONS.**

23           See Section 401 of this Article.

24           **SEC. 411A.3. APPLICATION OF TSF.**

1           (a) **Application:** Except as provided in Subsection (c), the TSF shall apply to any  
2 development project in the City, as defined in Section 401, for which a building or site permit is issued  
3 on or after the effective date of this ordinance and which results in:

4           (1) At least one net new residential unit,

5           (2) Additional space in an existing residential unit of more than 800 gross square feet,

6           (3) At least one net new group housing facility or residential care facility,

7           (4) Additional space in an existing group housing or residential care facility of more than  
8 800 gross square feet,

9           (5) New construction of a non-residential use in excess of 800 gross square feet,

10           (6) Additional non-residential space in excess of 800 gross square feet in an existing  
11 structure, or

12           (7) Change of use in an existing space from a lower fee category to a higher fee category;  
13 regardless of whether the existing space previously paid the TSF or TIDF

14           In reviewing whether a development project is subject to the TSF, the project shall be  
15 considered in its entirety. A sponsor shall not seek multiple applications for building permits to evade  
16 paying the TSF for a single development project.

17           **(b) Relationship between the TSF, the Transit Impact Development Fee (TIDF), and Other**  
18 **Development Impact Fees Devoted to Transportation:** Notwithstanding any other provisions of this  
19 Code, all development projects subject to the TSF shall pay the full TSF.

20           (1) Where a development project is subject to both the TSF and the TIDF, the TIDF shall be  
21 waived upon payment of the TSF.

22           (2) Where a development project is subject to both the TSF and an Area Plan impact fee, a  
23 portion of which is dedicated to transportation improvements, the portion of the Area Plan impact fee  
24 dedicated to transportation improvements shall be waived upon payment of the TSF, except where that  
25 portion exceeds the TSF. Where the portion of an Area Plan impact fee dedicated to transportation

1 improvements exceeds the TSF, an amount equal to the TSF shall be waived from the Area Plan impact  
2 fee upon payment of the TSF, and the remainder of the Area Plan impact fee shall be collected and  
3 used for Plan Area improvements.

4 If the TSF becomes inoperative for any reason, development projects shall continue to be  
5 subject to any such fees imposed by this Code that were in effect as to the effective date of this  
6 ordinance.

7 (c) **Exceptions:** The TSF does not apply to the following types of development projects:

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

14 (2) Development projects in a Redevelopment Plan Area in existence at the time a building  
15 or site permit is issued for the development project.

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

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

20 (5) Single family residences, provided, however, that single family residences in Plan Areas  
21 subject to an Area Plan Impact fee must continue to pay that fee in its entirety.

22 **SEC. 411A.4. TIMING OF PAYMENT**

23 The TSF shall be paid prior to issuance of the first construction document, with an option for  
24 the project sponsor to defer payment until prior to issuance of the first certificate of occupancy upon  
25 agreeing to pay a deferral surcharge in accordance with Section 107A.13 of the San Francisco

1 Building Code. Under no circumstances may any City official or agency, including the Port of San  
2 Francisco, issue a certificate of final completion and occupancy for any development project subject to  
3 the TSF until the TSF has been paid.

4 **SEC. 411A.5. CALCULATION OF TSF**

5 (a) Calculation. The TSF shall be calculated on the basis of the number of gross square  
6 feet of the development project, multiplied by the TSF per square foot rate in effect at the time of  
7 building or site permit issuance for each of the applicable economic activity categories within the  
8 development project, as provided in the Fee Schedule set forth in Section 411A.7, except as provided in  
9 subsection (b) below. An accessory use shall be charged at the same rate as the underlying use to  
10 which it is accessory.

11 (b) Change in Use. When calculating the TSF for a development project in which there is a  
12 change of use such that the rate charged for the new economic activity category is higher than the rate  
13 charged for the existing economic activity category, the TSF per square foot rate shall be the difference  
14 between the rate charged for the new and the existing use.

15 **SEC. 411A.6. CREDITS**

16 When determining the number of gross square feet of use to which the TSF applies, the  
17 Department shall provide the following credits:

18 (a) Existing Use Credits. There shall be a credit for the number of gross square feet of use  
19 being removed, or being added to, by the development project, provided that the prior use was not  
20 abandoned as set forth in Sections 178(d), 183, 186.1(d) of this Code. The credit shall be equal to the  
21 number of gross square feet being removed, or being added to, by the development project, multiplied  
22 by the TSF per square foot rate for the economic activity category for space being removed, but in no  
23 circumstance shall be greater than 100% of the total amount of TSF due.

24 (b) Policy Credits. Development projects that meet the criteria outlined in Subsection  
25 411A.6(b)(2) may receive Policy Credits, subject to the following limitations:

1           (1) **Limit on Available Policy Credits.** When making a determination under this Article for  
2 the amount of TSF owed, the Department shall allocate available Policy Credits, described in Section  
3 411A.6(b)(2), as follows:

4           (A) No development project shall receive a policy credit under Section 411A.6(b)(2) if the  
5 total amount of credits received by development projects under that section would exceed the lesser of  
6 ten million dollars (\$10,000,000) in 20XX dollars, or 6% of the total anticipated fee revenue for the  
7 Five-Year Update period, as defined in Section 411A.9(c). To the extent Policy Credits allowed in any  
8 Five Year Update period are not allocated, the unallocated amount shall be carried over to the next  
9 Five-Year Update period.

10           (B) No single category of Policy Credits, as defined in Section 411A.6(b)(2), shall receive  
11 more than [TBD]% of the limit on available Policy Credits within any Five-Year Update period.

12           (C) No single development project shall receive more than [TBD]% of a single category of  
13 Policy Credits, nor more than [TBD]% of the total available Policy Credits, within any Five-Year  
14 Updated period.

15           (D) The Planning Department shall maintain and shall make available on the Planning  
16 Department's website, a list showing:

17           (i) All development projects receiving Policy Credits under Section 411A.6(b)(2) of this  
18 Article, and, if applicable, the date(s) of approval and the issuance of any building or site permit;

19           (ii) The total amount of Policy Credits received with respect to each listed development  
20 project;

21           (iii) Any Policy Credits allocated to a development project the site permit for which is  
22 modified, cancelled, revoked, or has expired;

23           (iv) Such other information as the Department may determine is appropriate.

24           (2) **Available Policy Credits:** The following development projects may receive Policy  
25 Credits, subject to the limitations set forth in Section 411A.6(b)1:

1           (A) **Small Businesses.** Businesses that occupy or expand any pre-existing commercial space,  
2 provided that: (i) the gross square footage of such commercial space is not greater than 5,000 square  
3 feet, and (ii) the business is not formula retail, as defined in Sections 703.3 and 806.3 of this Code.

4           (B) **Affordable Housing Development Projects.** Affordable housing development projects,  
5 defined as development projects that:

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

8           (ii) are subsidized by the Mayor's Office of Housing, and/or the San Francisco Housing  
9 Authority;

10           (iii) are subsidized in a manner which maintains their affordability for a term no less than 55  
11 years, whether they are rentals or ownership opportunities. Project sponsors must demonstrate to the  
12 Planning Department staff that a governmental agency will be enforcing the term of affordability and  
13 reviewing performance and service plans as necessary; and

14           (iv) are not built as part of a developer's efforts to meet the requirements of the Inclusionary  
15 Affordable Housing Program, as set forth in Section 415 of this Code.

16           For development projects where only a portion of the use is permanently dedicated to  
17 affordable housing, the Policy Credit shall apply to an amount equal to: the square feet of each  
18 affordable unit and the proportion of common areas (defined as areas all residents have access to)  
19 equal to the ratio of the total number of affordable housing units to the total number of housing units  
20 included in the development project.

21           (C) **Reduced Parking Developments.** In zoning districts that set a parking maximum,  
22 development projects that provide a lower number, or ratio, of off-street parking than permitted in  
23 Table 151.1 of the Planning Code. The credit shall be determined by the Department as follows:

<u>Max. Allowed in Planning</u> <u>Code Table 151.1</u>	<u>50% of Max. or</u> <u>Less</u>	<u>60% of</u> <u>Max.</u>	<u>75% of</u> <u>Max.</u>	<u>90% of</u> <u>Max.</u>	<u>100% of Max.</u> <u>or more</u>
<u>TSF Credit</u>	<u>100 %</u>	<u>80%</u>	<u>50%</u>	<u>20%</u>	<u>0%</u>

(D) **Small Projects:** Development projects consisting of twenty residential units or less.

(c) **Process for Allocation of Policy Credits:** The Policy Credits described in this Section shall be allocated to qualifying development projects by the Zoning Administrator at the moment their first entitlement is approved by the Planning Commission or the Planning Department. In addition, the following considerations shall apply:

(1) If a development project is modified for any reason after it is first approved, and such modification would result in a potential increase in the amount of Policy Credits allocated to it, the development project shall maintain the credits allocated on the list described in Section 411A.6(b)(1)(D). Any additional credit may only be allocated at the time such modification is approved, subject to the limits of Section 411A.6(b)(1)(A).

(2) If a development project is modified for any reason after it is first approved, and such modification would result in a potential decrease in the amount of Policy Credits allocated to it, the remainder Policy Credits shall become available for other qualifying development projects during the approval period on account of such a modification.

(3) The maximum amount of Policy Credits available for the approval period shall be increased by the amount of Policy Credits allocated to a development project for which an issued site or building permit has been finally cancelled or revoked, or has expired, with the irrevocable effect of preventing construction of the development.

**SEC. 411A.7. TSF SCHEDULE.**

For development projects for which the TSF is applicable, any net addition of gross square feet shall pay per the Fee Schedule in Table 411A.7A.

**Table 411A.7A. TSF Schedule For Net Additions of Gross Square Feet**

<u><i>Economic Activity Categories</i></u>	<u><i>TSF Per Gross Square Foot of Development project</i></u>
<u><i>Residential – generally, except for Senior Housing</i></u>	<u><i>\$ 5.53</i></u>
<u><i>Senior Housing</i></u>	<u><i>\$ 3.79</i></u>
<u><i>Management, Information and Professional Services</i></u>	<u><i>\$ 12.64</i></u>
<u><i>Retail/Entertainment</i></u>	<u><i>\$ 13.30</i></u>
<u><i>Production, Distribution and Repair</i></u>	<u><i>\$ 6.80</i></u>
<u><i>Cultural /Institutional/Education – generally, except for Museum</i></u>	<u><i>\$ 13.30</i></u>
<u><i>Museum</i></u>	<u><i>\$ 11.05</i></u>
<u><i>Medical and Health Services</i></u>	<u><i>\$ 13.30</i></u>
<u><i>Visitor Services</i></u>	<u><i>\$ 12.64</i></u>

**SEC. 411A.8. IMPOSITION OF TSF.**

**(a) Determination of Requirements.** *The Department shall determine the applicability of Section 411A.1 et seq. to any development project requiring a first construction document and, if Section 411A.1 is applicable, shall impose any TSF owed as a condition of approval for issuance of the first construction document for the development project. The project sponsor shall supply any information necessary to assist the Department in this determination.*

**(b) Department Notice to Development Fee Collection Unit at DBI of Requirements.** *After the Department has made its final determination regarding the application of the TSF to a development project under Section 411A.1 et seq., it shall immediately notify the Development Fee Collection Unit at DBI of any TSF owed in addition to the other information required by Section 402 (b) of this Article.*

**(c) Process for Revisions of Determination of Requirements.** *In the event that the Department or the Commission takes action affecting any development project subject to Section 411A.1 et seq. and such action is subsequently modified, superseded, vacated, or reversed by the Board*

1 of Appeals, the Board of Supervisors, or by court action, the procedures of Section 402 (c) of this  
2 Article shall be followed.

3 **SEC. 411A.9. TSF GOVERNANCE**

4 **(a) Transportation Sustainability Fee Committee.** The Director shall chair the  
5 Transportation Sustainability Fee Committee (TSF Committee), which shall be comprised of members  
6 from the Department, the MTA, and the SFCTA.

7 **(b) Annual TSF Project Report.** Every year, the TSF Committee shall prepare an Annual  
8 Report that includes (i) current TSF project priorities (ii) appropriation requests for TSF proceeds that  
9 meet the requirements set forth in the Expenditure Plan, defined in Section 411A.11 of this Article, (iii)  
10 projected TSF revenue for the upcoming year, and (iv) an accounting of the previous year's TSF  
11 revenues and expenditures. The Annual Report shall be submitted to the MTA Board of Directors for  
12 its consideration and to the Capital Planning Committee for inclusion in the 10-year Capital Plan and  
13 2-year Capital Budget.

14 **(c) Five-Year Update.** Every five years, in coordination with the five-year evaluation by the  
15 Director required by Section 410 of this Article and the SFCTA's Five-Year Prioritization Programs  
16 (5YPP) required under Proposition K, approved by the voters in 2003, the TSF Committee shall  
17 prepare a Five-Year Update which shall:

18 **(1) Update the TSF Nexus Study, on file with the Clerk of the Board of Supervisors, file**  
19 **number \_\_\_\_\_, with recent data, assumptions and analysis to determine the impact of an additional**  
20 **20 years of projected development on the City's transportation system;**

21 **(2) Revise the Expenditure Plan, as defined in Section 411A.11 of this Article, to include the**  
22 **present cost of projects that may be funded, in full or partially, with TSF revenues in the succeeding 20**  
23 **years. The revised Expenditure Plan shall also update the amount of available Policy Credits for**  
24 **projects that meet the criteria of Section 411A.6(b)(2) of this Article; and**

1           (3) Make recommendations regarding whether the TSF Schedule, as set forth in Section  
2 411A.7, should be modified or remain the same. The following factors have been and shall in the future  
3 be observed in calculating the TSF Schedule:

4           (A) Cost information provided by the agencies participating in the Expenditure Plan, as  
5 included in their published capital plans and other planning documents.

6           (B) The rates shall be set at a level to ensure that the proceeds, including such earnings as  
7 may be derived from investment of the proceeds and amortization thereof, do not exceed the capital and  
8 maintenance costs incurred in order to maintain the Baseline Performance Standard in light of the  
9 demands created by development projects subject to the fee over the estimated useful life of such  
10 development projects. For purposes of this Section 411A et seq., the estimated useful life of a  
11 development project is 45 years.

12           (4) Request that the Planning Department perform an environmental review of the updated  
13 TSF Nexus Study and proposed changes to the Expenditure Plan and TSF Schedule, as needed.

14           (5) Distribute the Five-Year Update to the MTA Board of Directors, the Planning  
15 Commission, the SFCTA Board and the Board of Supervisors.

16           (d) **Public Hearings and Board of Supervisors' Action on Five-Year Update.** Upon receipt  
17 of the Five-Year Update from the TSF Committee, the MTA Board of Directors, the Planning  
18 Commission, the SFCTA Board and the Board of Supervisors shall conduct public hearings in which  
19 they shall consider the Five-Year Update, hear testimony from any interested members of the public,  
20 and receive such other evidence as these bodies may deem necessary. At the conclusion of their  
21 respective hearings:

22           (A) The MTA Board of Directors shall review, and approve or disapprove the revised  
23 Expenditure Plan.

1            (B) The SFCTA Board shall review the Five-Year Update’s consistency with the Expenditure  
2 Plan and Five-Year Prioritization Programs for Proposition K. The SFCTA Board shall then make  
3 recommendations on the capital project priorities of the revised Expenditure Plan.

4            (C) The Planning Commission shall act on any items requiring environmental review or  
5 General Plan findings.

6            (D) The Board of Supervisors shall make findings regarding whether the revenues projected  
7 to be recovered under the proposed Fee Schedule would be reasonably related to and would not exceed  
8 the costs incurred by the City to maintain the applicable Baseline Performance Standard, in light of  
9 demands caused by development projects. The Board of Supervisors shall then make any necessary or  
10 appropriate revisions to this ordinance.

11            **SEC. 411A.10. TSF FUND**

12            Money received from collection of the TSF, including earnings from investments of the TSF,  
13 shall be held in trust by the Treasurer of the City and County of San Francisco under Section 66006 of  
14 the Mitigation Fee Act (Cal. Gov. Code § 60000 et seq.) and shall be distributed according to the fiscal  
15 and budgetary provisions of the San Francisco Charter and the Mitigation Fee Act, subject to the  
16 conditions and limitations set forth in Section 411A.11.

17            **SEC. 411A.11. TSF EXPENDITURE PLAN.**

18            As set forth in the TSF Nexus Study, on file with the Clerk of the Board of Supervisors File No.  
19 \_\_\_\_\_ TSF funds may only be used to reduce the burden imposed by development projects on the  
20 City's transportation system, and specifically, to reduce transit travel time and transit overcrowding, as  
21 more particularly set forth in the Expenditure Plan, which shall be reviewed and may be revised every  
22 five years, as set forth in Section 411A.9(c). Expenditures shall be allocated as follows

23

<u>Expenditure Category</u>	<u>Share of TSF Proceeds (*)</u>
<u>Transit Headway Improvements and Service Expansion</u>	<u>65%</u>

24

25

1	<u>Transit Travel Time Improvements</u>	<u>29%</u>
2	<u>Regional Transit Providers</u>	<u>2%</u>
3	<u>Bicycle, Pedestrian, and Pricing Programs to Reduce</u>	<u>4%</u>
4	<u>Congestion</u>	
5	<u>TSF Program Implementation</u>	<u>up to 2%</u>

6 (\*): the total percentages in this table may exceed 100% due to rounding error.

7 a) **Transit Headway Improvements and Service Expansion:** Projects in this category  
8 must increase capacity in overcrowded Muni buses or rail lines, thus reducing transit overcrowding  
9 caused by development projects. They must meet at least one of the following three selection criteria  
10 (1, 2, or 3):

11 1. The project must increase capacity of a route or line in a manner that meets all of the  
12 following criteria:

13 A. The project reduces overcrowding on a Muni route or line that either becomes  
14 overcrowded or becomes more overcrowded as a result of development project;

15 B. The project increases capacity on a route or line either by:

16 i. Increasing vehicle frequencies (reducing headways);

17 ii. Increasing the physical capacity of vehicles; and/or

18 iii. Reconfiguring service or providing new or extended service.

19 2. The project expands the vehicle fleet to provide the additional capacity for a route or  
20 line that meets the selection criteria under (1), above.

21 3. The project expands maintenance and storage facilities up to the extent needed to  
22 accommodate the additional rolling stock identified in (2), above.

23 b) **Transit Travel Time Improvements:** Projects in this category must reduce travel time  
24 on Muni bus routes or rail lines to offset the impacts of development. They must meet all of the  
25 following three selection criteria (1, 2, and 3):

1           1. The project is part of a coordinated package of corridor improvements designed to  
2 directly cause a reduction in transit travel time.

3           2. The project is limited to one or more of the following:

4           A. Traffic signal upgrades such as traffic signal priority systems, new traffic signals, and  
5 actuated signals;

6           B. Intersection improvements to improve bus or rail turning efficiency;

7           C. Transit stop optimization and improvements (elimination, addition, or relocation of  
8 traffic control measures such as pedestrian center islands and bulbs.);

9           D. Traffic and parking controls such as tow-away zones, no parking zones, and colored  
10 zones;

11           E. Improvements that reduce passenger boarding time such as all-door boarding, level  
12 boarding, and proof-of-payment fare systems;

13           F. Dedicated bus lanes and overhead wire bypass;

14           G. Upgraded transit control systems or other transit technologies;

15           H. Reconfigured, new, or extended service; or

16           I. Preventative maintenance programs for transit vehicles.

17           3. Projects must be located on the MTA's Rapid Network (24 corridors with frequent,  
18 heavily used bus routes and rail lines that make up the backbone of the Muni system)

19           c) **Regional Transit Providers.** Projects in this category must either reduce overcrowding  
20 or travel time on regional transit trips within the City. They must meet at least one of the following two  
21 selection criteria (1 or 2):

22           1. Increase capacity of a regional transit route or line.

23           2. Reduce travel time for regional transit trips.

24           d) **Bicycle, Pedestrian, and Pricing Programs to Reduce Congestion.** Projects in this  
25 category must be designed to shift travel demand between modes, time periods, or locations to improve

1 transit performance. These projects must reduce either transit overcrowding or automobile trips  
2 during congested time periods by meeting one or more of the following criteria (1, 2 or 3):

3 1. Promoting non-motorized (bicycle and pedestrian) alternatives to reduce automobile  
4 trips during congested time periods;

5 2. Providing information on travel alternatives to encourage travel demand shifts away  
6 from automobiles during congested periods; or

7 3. Increasing the cost of travel by automobiles during congested time periods:

8 A. Relative to travel by alternative modes (transit, bicycle, pedestrian) during those same  
9 time periods; or

10 B. Relative to travel for all modes during less congested time periods.

11 e) **TSF Program Implementation.** This category includes administrative costs associated  
12 with adoption and updates of the TSF ordinance, environmental review and periodic updates of the  
13 Nexus Study.

14  
15 Section 4. Effective Date. This Ordinance shall become effective 60 days from the  
16 date of passage.

17  
18 Section 5. In enacting this Ordinance, the Board intends to amend only those words,  
19 phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams,  
20 or any other constituent part of the Name of Code here Code that are explicitly shown in this  
21 legislation as additions, deletions, Board amendment additions, and Board amendment  
22 deletions in accordance with the "Note" that appears under the official title of the legislation.

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

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4 By: \_\_\_\_\_  
5 ANDREA RUIZ-ESQUIDE  
6 Deputy City Attorney  
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