

1 [Planning Code - Adopting Nexus Analysis for Certain Development Fees]

2

3 **Ordinance amending the Planning Code to adopt the San Francisco Citywide Nexus**  
 4 **Analysis supporting existing development fees, including fees in the Downtown and**  
 5 **other Area Plans, to cover impacts of residential and commercial development in the**  
 6 **areas of recreation and open space; pedestrian and streetscape improvements;**  
 7 **childcare facilities; and bicycle infrastructure; making findings related to all of the fees**  
 8 **in Article IV generally and certain development fees supported by the Nexus Analysis**  
 9 **specifically; and making environmental findings, and findings of consistency with the**  
 10 **General Plan, and the eight priority policies of Planning Code, Section 101.1.**

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

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

19 Section 1. Findings.

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 Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
 23 Supervisors in File No. 150149 and is incorporated herein by reference. The Board of  
 24 Supervisors hereby affirms this determination.

25 (b) On December 11, 2014, the Planning Commission, in Resolution No. 19291,  
 adopted findings that the actions contemplated in this ordinance are consistent, on balance,

1 with the City’s General Plan and eight priority policies of Planning Code Section 101.1. The  
2 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of  
3 the Board of Supervisors in File No. 150149, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code  
5 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth  
6 in Planning Commission Resolution No. 19291, and the Board incorporates such reasons  
7 herein by reference.

8  
9 Section 2. The Planning Code is hereby amended by adding Section 401A and  
10 revising Sections 401, 404, 409, 411.3, 412.1, 412.6, 413.6, 414.1, 414.8, 415.5, 416.3,  
11 417.3, 418.1, 418.5, 419.3, 420.1, 420.3, 420.6, 421.1, 421.3, 421.5, 422.1, 422.3, 422.5,  
12 423.1, 423.3, 423.5, 424.1, 424.3, 424.5, 424.6.2, and 424.7.2 to read as follows:

13  
14 **SEC. 401A. FINDINGS.**

15 (a) General Findings. The Board makes the following findings related to the fees imposed  
16 under Article IV.

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

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

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

15           (b) **Specific Findings:** The Board of Supervisors has reviewed the San Francisco Citywide  
16 Nexus Analysis prepared by AECOM dated March 2014 (“Nexus Analysis”), and the San Francisco  
17 Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the  
18 Clerk of the Board in File No. 150149 and adopts the findings and conclusions of those studies,  
19 specifically the sections of those studies establishing levels of service for and a nexus between new  
20 development and four infrastructure categories: Recreation and Open Space, Childcare, Streetscape  
21 and Pedestrian Infrastructure, and Bicycle Infrastructure. The Board of Supervisors finds that, as  
22 required by California Government Code Section 66001, for each infrastructure category analyzed, the  
23 Nexus Analysis and Infrastructure Level of Service Analysis: identify the purpose of the fee; identify the  
24 use or uses to which the fees are to be put; determine how there is a reasonable relationship between  
25 the fee's use and the type of development project on which the fee is imposed; determine how there is a

1 reasonable relationship between the need for the public facility and the type of development project on  
2 which the fee is imposed; and determine how there is a reasonable relationship between the amount of  
3 the fee and the cost of the public facility or portion of the facility attributable to the development.  
4 Specifically, as discussed in more detail in and supported by the Nexus Analysis and Infrastructure  
5 Level of Service Analysis the Board adopts the following findings:

6 (1) **Recreation and Open Space Findings:**

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

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

17 (C) **Reasonable relationship:** As new development adds more employment  
18 and/or residents to San Francisco, it will increase the demand for park facilities and park capacity. Fee  
19 revenue will be used to fund the acquisition and additional capacity of these park facilities. Each new  
20 development project will add to the incremental need for recreation and open space facilities described  
21 above. Improvements considered in the Nexus Study are estimated to be necessary to maintain the  
22 City's effective service standard.

23 (D) **Proportionality.** The new facilities and costs allocated to new  
24 development are based on the existing ratio of the City's service population to a conservative estimate  
25 of its current recreation and open space capital expenditure to date. The scale of the capital facilities

1 and associated costs are proportional to the projected levels of new development and the existing  
2 relationship between service population and recreation and open space infrastructure. The cost of the  
3 deferred maintenance required to address any operational shortfall within the City's recreation and  
4 open space provision will not be financed by development fees.

5 (2) **Childcare Findings:**

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

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

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

19 (D) **Proportionality.** The new facilities and costs allocated to new  
20 development are based on the existing service ratio of the total number of infants, toddler, and  
21 preschoolers needing care in San Francisco to the number of spaces available to serve them. The total  
22 numbers of children reflect both resident children and non-resident children of San Francisco  
23 employees needing care. The scale of the capital facilities and associated costs are directly  
24 proportional to the expected levels of new development and the corresponding increase in childcare  
25 demands.

1                   (3) **Streetscape and Pedestrian Infrastructure Findings: The infrastructure**  
2 covered by Pedestrian and Bicycle Infrastructure and Bicycle Infrastructure may be referred to in  
3 certain Area Plans collectively as “Complete Streets Infrastructure.”

4                   (A) **Purpose.** The primary purpose of the streetscape and pedestrian  
5 infrastructure development impact fee is to fund streetscape and pedestrian infrastructure to  
6 accommodate the growth in street activity.

7                   (B) **Use.** The streetscape infrastructure fees will be used to enhance the  
8 pedestrian network in the areas surrounding new development – whether through sidewalk  
9 improvements, construction of complete streets, or pedestrian safety improvements.

10                   (C) **Reasonable Relationship.** New development in San Francisco will  
11 increase the burden on the City’s pedestrian infrastructure. Fee revenue will be used to increase  
12 pedestrian infrastructure capacity and facilities. Residential and commercial development will add to  
13 the incremental need for streetscape and pedestrian infrastructure. Improvements considered in this  
14 study are estimated to be necessary to maintain the City’s effective service standard, reflecting the  
15 City’s investment to date.

16                   (D) **Proportionality.** The fees allocated to new development are based on the  
17 existing ratio of the City’s service population to a conservative estimate of its current streetscape and  
18 pedestrian infrastructure provision to date – in the form of square feet of sidewalk per thousand service  
19 population units. The costs associated with this level of improvement are drawn from the cost per  
20 square foot associated with improving sidewalk under the Department of Public Works’ standard  
21 repaving and bulbouts cost structure. The scale of the capital facilities and associated costs are directly  
22 proportional to the expected levels of new development and the existing relationship between service  
23 population and pedestrian infrastructure. The cost of the deferred maintenance required to address any  
24 operational shortfall is not allocated to be funded by new development.

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

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

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

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

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

20                   (5) **Additional Findings.** *The Board finds that the Nexus Analysis establishes the*  
21 *fees are less than the cost of mitigation and do not include the costs of remedying any existing*  
22 *deficiencies. The City may fund the cost of remedying existing deficiencies through other public and*  
23 *private funds. The Board also finds that the Nexus Study establishes that the fees do not duplicate other*  
24 *City requirements or fees. Moreover, the Board finds that this fee is only one part of the City’s broader*  
25

1 funding strategy to address these issues. Residential and non-residential impact fees are only one of  
2 many revenue sources necessary to address the City's infrastructure needs.

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

5 In addition to the specific definitions set forth elsewhere in this Article, the following  
6 definitions shall govern interpretation of this Article:

7 \* \* \* \*

8 "Designated affordable housing zones." For the purposes of implementing the Eastern  
9 Neighborhoods Public Benefits Fund, shall mean the Mission NCT defined in Section 736 and  
10 ~~the~~ those Mixed Use Residential District defined in Section 841 that are located within the  
11 boundaries of either the East Soma or Western Soma Plan Areas.

12 \* \* \* \*

13  
14 **SEC. 404. PROJECT DEVELOPMENT FEE REPORT; RESOLUTION OF**  
15 **DEVELOPMENT FEE DISPUTE; APPEAL TO BOARD OF APPEALS; PUBLIC NOTICE;**  
16 **FINDINGS SUPPORTING FEE COLLECTION.**

17 (a) **Project Development Fee Report.** Under Section 107A.13.7 of the San  
18 Francisco Building Code, prior to issuance of the building or site permit for a development  
19 project subject to any development fees or development impact requirements, the  
20 Development Fee Collection Unit at DBI shall prepare and provide to the project sponsor, or  
21 any member of the public upon request, a Project Development Fee Report ~~that: (i) identifies~~  
22 ~~the development project, (ii) lists the specific development fees or development impact requirements~~  
23 ~~that are applicable, (iii) lists the dollar amount of any development fees or the scope of any~~  
24 ~~development impact requirement, (iii) states when the development fees are due and payable and the~~



1 ~~status of payment, and (iv) provides any other relevant information concerning the development fees or~~  
2 ~~development impact requirements.~~

3 (b) **Resolution of Development Fee or Development Impact Requirement**

4 **Dispute; Appeal to Board of Appeals.** If a dispute or question arises concerning the  
5 accuracy of the final Project Development Fee Report, including the calculation of any  
6 development fee listed thereon, the dispute shall be resolved or appealed to the Board of  
7 Appeals in accordance with Section 107A.13.9 of the San Francisco Building Code. The  
8 jurisdiction of the Board shall be strictly limited to determining the accuracy of the Report and  
9 the mathematical calculation of the development fee or scope of the physical or "in-kind"  
10 requirement. The Board has no jurisdiction to: (~~1~~) review the scope or amount of the  
11 development fee or requirement established by the Code, (~~2~~) reduce, adjust, or waive a  
12 development fee or requirement on the ground that there is no reasonable relationship or  
13 nexus between the impact of development and either the amount of the fee charged or the  
14 physical requirement, (~~3~~) reduce or waive the development fee or requirement based on  
15 housing affordability, duplication of fees, or any other issue related to fairness or equity, or  
16 (~~4~~) review the nexus studies that support the development fee or requirement and the City's  
17 legal authority to impose it.

18 (c) **Public Notice of the Project Development Fee Report.** Any public notice issued

19 by the Department of an approval action on a development project that is subject to a  
20 development fee or a development requirement under this Article shall notify the public of a  
21 right to request a copy of the Project Development Fee Report from the Development Fee  
22 Collection Unit at DBI. In addition to this notice, DBI shall provide final notice of the availability  
23 of the Project Development Fee Report as part of its standard notice of the issuance of a  
24 building or site permit for any project and of the right to appeal the accuracy of the Project  
25

1 Development Fee Report to the Board of Appeals as part of the underlying building or site  
2 permit in accordance with Section 107A.13.9 of the San Francisco Building Code.

3  
4 **SEC. 409. CITYWIDE DEVELOPMENT FEE REPORTING REQUIREMENTS AND**  
5 **COST INFLATION FEE ADJUSTMENTS.**

6 (a) **Citywide Development Fee and Development Impact Requirements Report.**

7 In coordination with the Development Fee Collection Unit at DBI and the Planning Director,  
8 the Controller shall issue a report within 180 days after the end of each even numbered year  
9 fiscal year<sup>1</sup>, that provides information on all development fees established in the San  
10 Francisco Planning Code collected during the prior two fiscal years organized by development  
11 fee account and all cumulative monies collected over the life of each development fee  
12 account, as well as all monies expended. *The report shall include: (1) a description of the type of*  
13 *fee in each account or fund; (2) the beginning and ending balance of the accounts or funds including*  
14 *any bond funds held by an outside trustee; (3) the amount of fees collected and interest earned; (4) an*  
15 *identification of each public improvement on which fees or bond funds were expended and amount of*  
16 *each expenditure; (5) an identification of the approximate date by which the construction of public*  
17 *improvements will commence; (6) a description of any inter-fund transfer or loan and the public*  
18 *improvement on which the transferred funds will be expended; and (7) the amount of refunds made and*  
19 *any allocations of unexpended fees that are not refunded.* The report shall also provide information  
20 on the number of projects that elected to satisfy development impact requirements through  
21 the provision of "in-kind" physical improvements, including on-site and off-site BMR units,  
22 instead of paying development fees. The report shall also include any annual reporting  
23 information otherwise required pursuant to the California Mitigation Fee Act, Government  
24 Code 66001 et seq. The report shall be presented by the Planning Director to the Planning  
25 Commission and to the Land Use & Economic Development Committee of the Board of

1 Supervisors. The Report shall also contain information on the Controller's annual construction  
2 cost inflation adjustments to development fees described in subsection (b) below, as well as  
3 information on MOH's separate adjustment of the Jobs-Housing Linkage and Inclusionary  
4 Affordable Housing fees described in Sections 413.6(b) and 415.5(b)(3).

5 \* \* \* \*

6  
7 **SEC. 411.3. APPLICATION OF TIDF**

8 \* \* \* \*

9 (b) Timing of Payment. Except for those Integrated PDR projects subject to Section  
10 328 of this Code, the TIDF shall be paid ~~prior to~~ at the time of and in no event later than issuance  
11 of the first construction document, with an option for the project sponsor to defer payment until  
12 prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge  
13 in accordance with Section 107A.13 of the San Francisco Building Code. Under no  
14 circumstances may any City official or agency, including the Port of San Francisco, issue a  
15 certificate of final completion and occupancy for any new development subject to the TIDF  
16 until the TIDF has been paid.

17 \* \* \* \*

18  
19 **SEC. 412.1. PURPOSE AND FINDINGS SUPPORTING DOWNTOWN PARK FEE.**

20 (a) Purpose. Existing public park facilities located in the downtown office districts  
21 are at or approaching capacity utilization by the daytime population in those districts. The  
22 need for additional public park and recreation facilities in the downtown districts will increase  
23 as the daytime population increases as a result of continued office development in those  
24 areas. While the open space requirements imposed on individual office and retail  
25 developments address the need for plazas and other local outdoor sitting areas to serve

1 employees and visitors in the districts, such open space cannot provide the same recreational  
2 opportunities as a public park. In order to provide the City and County of San Francisco with  
3 the financial resources to acquire and develop public park and recreation facilities which will  
4 be necessary to serve the burgeoning daytime population in these districts, a Downtown Park  
5 Fund shall be established as set forth herein. ~~The Board of Supervisors adopts the findings of the~~  
6 ~~Downtown Open Space Nexus Study in accordance with the California Mitigation Fee Act, Government~~  
7 ~~Code 66001(a) on file with the Clerk of the Board in File No. \_\_\_\_\_.~~

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

15  
16 **SEC. 412.6. COLLECTION OF FEE.**

17 The Downtown Park Fee is due and payable to the Development Fee Collection Unit  
18 at DBI ~~prior to~~ at the time of and in no event later than issuance of the first construction  
19 document, with an option for the project sponsor to defer payment to prior to issuance of the  
20 first certificate of occupancy upon agreeing to pay a deferral surcharge that would be  
21 deposited into the Downtown Park Fund, in accordance with Section 107A.13.15 of the San  
22 Francisco Building Code.

23  
24 **SEC. 413.6. COMPLIANCE WITH JOBS HOUSING LINKAGE PROGRAM BY**  
25 **PAYMENT OF IN-LIEU FEE**

1 \* \* \* \*

2 (c) Any in-lieu fee required under this Section is due and payable to the Development  
3 Fee Collection Unit at DBI ~~prior to~~ at the time of and in no event later than issuance of the first  
4 construction document, with an option for the project sponsor to defer payment to prior to  
5 issuance of the first certificate of occupancy upon agreeing to pay a deferral surcharge that  
6 would be deposited into the Citywide Affordable Housing Fund in accordance with Section  
7 107A.13.3 of the San Francisco Building Code.

8 \* \* \* \*

9  
10 **SEC. 414.1. PURPOSE AND FINDINGS SUPPORTING CHILDCARE**  
11 **REQUIREMENTS FOR OFFICE AND HOTEL DEVELOPMENT PROJECTS.**

12 (a) Purpose. Office, hotel, and other new commercial developments in the City are  
13 benefitted by the availability of childcare for persons employed in such developments close to their  
14 place of employment. However, the supply of childcare in the City has not kept pace with the demand  
15 for childcare created by new employees. Due to this shortage of childcare, employers will have  
16 difficulty in securing a labor force, and employees unable to find accessible and affordable quality  
17 childcare will be forced either to work where such services are available outside of San Francisco or  
18 leave the work force entirely, in some cases seeking public assistance to support their children. In  
19 either case, there will be a detrimental effect on San Francisco's economy and its quality of life.

20 The San Francisco General Plan encourages "continued growth of prime downtown office  
21 activities so long as undesirable consequences of such growth can be avoided" and requires that there  
22 be the provision of "adequate amenities for those who live, work and use downtown." In light of these  
23 provisions, the City should impose requirements on developers of certain commercial projects designed  
24 to mitigate the adverse effects of the expanded employment facilitated by such projects. To that end, the  
25 Commission is authorized to promote affirmatively the policies of the General Plan through the

1 imposition of special childcare development or assessment requirements. It is desirable to impose the  
2 costs of the increased burden of providing childcare necessitated by such commercial development  
3 projects directly upon the sponsors of new development generating the need. This is to be done through  
4 a requirement that the sponsor construct childcare facilities or pay a fee into a fund used to foster the  
5 expansion of and to ease access to affordable childcare as a condition of the privilege of development.

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

13 The Board hereby finds and declares as follows:

14 —A.— Large-scale office and hotel developments in the City have attracted and continue to  
15 attract additional employees to the City, and there is a causal connection between such developments  
16 and the need for additional child-care facilities in the City, particularly child-care facilities affordable  
17 to households of low and moderate income.

18 —B.— Office and hotel uses in the City are benefitted by the availability of child care for persons  
19 employed in such offices and hotels close to their place of employment. However, the supply of child  
20 care in the City has not kept pace with the demand for child care created by these new employees. Due  
21 to this shortage of child care, employers will have difficulty in securing a labor force, and employees  
22 unable to find accessible and affordable quality child care will be forced either to work where such  
23 services are available outside of San Francisco, or leave the work force entirely, in some cases seeking  
24 public assistance to support their children. In either case, there will be a detrimental effect on San  
25 Francisco's economy and its quality of life.

1           —C.— Projections from the EIR for the Downtown Plan indicate that between 1984 and 2000  
2 there will be a significant increase of nearly 100,000 jobs in the C-3 District under the Downtown  
3 Plan. Most of that employment growth will occur in office and hotel work, which consist of a  
4 predominantly female work force.

5           —D.— According to the survey conducted of C-3 District workers in 1981, 65 percent of the  
6 work force was between the ages of 25–44. These are the prime childbearing years for women, and the  
7 prime fathering years for men. The survey also indicated that only 12 percent of the C-3 District jobs  
8 were part-time, leaving up to 88 percent of the positions occupied by full-time workers. All of these  
9 factors point to the inevitable increase in the number of working parents in the C-3 District and the  
10 concomitant increase in need for accessible, quality child care.

11           —E.— Presently, there exists a scarcity of child care in the C-3 District and citywide for all  
12 income groups, but the scarcity is more acutely felt by households of low and moderate income.  
13 Hearings held on April 25, 1985 before the Human Services Committee of the San Francisco Board of  
14 Supervisors documented the scarcity of child care available in the C-3 District, the impediments to  
15 child care program startup and expansion, the increase in the numbers of children needing care, and  
16 the acute shortage of supply throughout the Bay Area. The Board of Supervisors also takes legislative  
17 notice of the existing and projected shortage of child care services in the City as documented by the  
18 Child Care Information Kit prepared by the California Child Care Resources and Referral Network  
19 located in San Francisco.

20           —F.— The scarcity of child care in the City is due in great part to large office and hotel  
21 development, both within the C-3 District and elsewhere in the City, which has attracted and will  
22 continue to attract additional employees and residents to the City. Some of the employees attracted to  
23 large office and hotel developments are competing with present residents for the few openings in child-  
24 care programs available in the City. Competition for child care generates the greatest pressure on  
25 households of low and moderate income. At the same time that large office and hotel development is

1 *generating an increased demand for child care, it is improbable that factors inhibiting increased supply*  
2 *of child care will be mitigated by the marketplace; hence, the supply of child care will become*  
3 *increasingly scarce.*

4 ~~—G.— The San Francisco General Plan encourages "continued growth of prime downtown~~  
5 ~~office activities so long as undesirable consequences of such growth can be avoided" and requires that~~  
6 ~~there be the provision of "adequate amenities for those who live, work and use downtown." In light of~~  
7 ~~these provisions, the City should impose requirements on developers of office and hotel projects~~  
8 ~~designed to mitigate the adverse effects of the expanded employment facilitated by such projects. To~~  
9 ~~that end, the Commission is authorized to promote affirmatively the policies of the General Plan~~  
10 ~~through the imposition of special child care development or assessment requirements. It is desirable to~~  
11 ~~impose the costs of the increased burden of providing child care necessitated by such office and hotel~~  
12 ~~development projects directly upon the sponsors of new development generating the need. This is to be~~  
13 ~~done through a requirement that the sponsor construct child care facilities or pay a fee into a fund used~~  
14 ~~to foster the expansion of and to ease access to affordable child care as a condition of the privilege of~~  
15 ~~development.~~

16  
17 **SEC. 414.8. COMPLIANCE BY PAYMENT OF AN IN-LIEU FEE.**

18 (a) The sponsor of a development project subject to Section 414.1 et seq. may elect  
19 to pay a fee in lieu of providing a child-care facility. The fee shall be computed as follows:

20  
21

Net add. gross sq. ft. office or hotel space	× \$1.00 = Total Fee
--	----------------------

22

23 (b) The in-lieu fee is due and payable to the Development Fee Collection Unit at DBI  
24 ~~prior to~~ at the time of and in no event later than issuance of the first construction document with  
25 an option for the project sponsor to defer payment to prior to issuance of the first certificate of



1 occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Child  
2 Care Capital Fund in accordance with Section 107A.13.3 of the San Francisco Building Code.

3  
4 **SEC. 415.5. AFFORDABLE HOUSING FEE.**

5 Except as provided in Section 415.5(g), all development projects subject to this  
6 Program shall be required to pay an Affordable Housing Fee subject to the following  
7 requirements:

8 (a) Payment of a Fee. ~~Payment of a fee to the Development Collection Unit at DBI for~~  
9 ~~deposit into the Citywide Affordable Housing Fund for the purposes of that Fund. The fee is due and~~  
10 ~~payable to the Development Fee Collection Unit at DBI for deposit into the Citywide Affordable~~  
11 ~~Housing Fund at the time of and in no event later than issuance of the first construction document, with~~  
12 ~~an option for the project sponsor to defer payment to prior to issuance of the first certificate of~~  
13 ~~occupancy upon agreeing to pay a deferral surcharge that would be deposited into the Downtown Park~~  
14 ~~Fund, in accordance with Section 107A.13.15 of the San Francisco Building Code.~~

15 \* \* \* \*

16  
17 **SEC. 416.3. APPLICATION OF AFFORDABLE HOUSING FEE REQUIREMENT**

18 \* \* \* \*

19 (d) **Timing of Payment.** The Market and Octavia Plan Area and Upper Market NCD  
20 Affordable Housing Fee shall be paid ~~before~~ at the time of and in no event later than the City  
21 issues a first construction document, with an option for the project sponsor to defer payment  
22 to prior to issuance of the first certificate of occupancy upon agreeing to pay a deferral  
23 surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

24 \* \* \* \*

1           **SEC. 417.3. APPLICATION OF AFFORDABLE HOUSING FEE REQUIREMENT**

2           \* \* \* \*

3           (d) **Timing of Payment.** The Eastern Neighborhoods Alternate Affordable Housing  
4 Fee project applicant shall be paid to the Development Fee Collection Unit at DBI ~~prior to~~ at the  
5 time of and in no event later than issuance of the first construction document, with an option for  
6 the project sponsor to defer payment to prior to issuance of the first certificate of occupancy  
7 upon agreeing to pay a deferral surcharge that would be deposited into the Citywide  
8 Affordable Housing Fund in accordance with Section 107A.13.3 of the San Francisco Building  
9 Code.

10          \* \* \* \*

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

14           **(a) Purpose.** The Board takes legislative notice of the purpose of the Rincon Hill Area Plan  
15 as articulated in the Rincon Hill Area Plan of the San Francisco General Plan. In general, the Rincon  
16 Hill Area Plan aims to transform Rincon Hill into a mixed-use downtown neighborhood with a  
17 significant housing presence, while providing the full range of services and amenities that support  
18 urban living. In addition, the Board notes the findings made in the Rincon Hill Area Plan that support  
19 the establishment of the Rincon Hill Community Improvements Fund specifically that Rincon Hill is  
20 lacking in open space facilities, pedestrian and streetscape amenities and bicycle infrastructure.

21           **(b) Findings.** The Board of Supervisors has reviewed the San Francisco Citywide Nexus  
22 Analysis prepared by AECOM dated March 2014 (“Nexus Analysis”), and the San Francisco  
23 Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the  
24 Clerk of the Board in File No. 150149 and, under Section 401A, adopts the findings and conclusions of  
25 those studies and the general and specific findings in that Section, specifically including the Recreation

1 and Open Space Findings, Pedestrian and Streetscape Findings, and Bicycle Infrastructure Findings  
2 and incorporates those by reference herein to support the imposition of the fees under this Section.

3 The Board takes legislative notice of the findings supporting the fees in former Planning Code  
4 Section 418.1 (formerly Section 318.1) and the materials associated with Ordinance No. 217-05 in  
5 Board File No. 050865. To the extent that the Board previously adopted fees in this Area Plan that are  
6 not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including but  
7 not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it  
8 made in support of those fees.

9 ~~A. The population of California has grown by more than 11 percent since 1990 and is expected~~  
10 ~~to continue increasing. The San Francisco Bay Area is growing at a rate similar to the rest of the State.~~  
11 ~~New residential construction in San Francisco is necessary to accommodate the additional population.~~  
12 ~~At the same time, new residential construction should not diminish the City's open space or increase~~  
13 ~~dependence on the private automobile for commuting.~~

14 ~~San Francisco already is experiencing a severe shortage of housing available to people at all~~  
15 ~~income levels, resulting in a sharp increase in home prices. The Association of Bay Area Governments'~~  
16 ~~Regional Housing Needs Determination (RHND) forecasts that 20,372 new residential units need to be~~  
17 ~~built in San Francisco by 2006, and at least 5,639 of these units should be available to moderate~~  
18 ~~income households.~~

19 ~~The City should encourage new housing production in a manner that enhances existing~~  
20 ~~neighborhoods and creates new residential and mixed-use neighborhoods. One solution to the housing~~  
21 ~~crisis is to encourage the construction of higher density housing in areas of the City best able to~~  
22 ~~accommodate such housing because of easy access to public transit and the availability of larger~~  
23 ~~development sites.~~

24 ~~— Many elements constrain housing production in the City, making it a challenge to build~~  
25 ~~housing that is affordable to those at moderate income levels. San Francisco is largely built out, and its~~

1 ~~geographical location at the northern end of a peninsula inherently prevents substantial new~~  
2 ~~development. There is no available adjacent land to be annexed, as the cities located on San~~  
3 ~~Francisco's southern border are also dense urban areas. Thus, new construction of housing is limited~~  
4 ~~to areas of the City not previously designated as residential areas, infill sites, or areas with increased~~  
5 ~~density. New market-rate housing absorbs a significant amount of the remaining supply of land and~~  
6 ~~other resources available for development and thus limits the supply of affordable housing.~~

7 ~~Emerging downtown residential areas of the City contain many older commercial, institutional~~  
8 ~~and industrial uses. Due to the underutilization of land in these areas and their proximity to downtown~~  
9 ~~employment and City and regional transport, they present an opportunity to build a quantity of new~~  
10 ~~housing at increased densities within easy walking distance of the downtown and City and regional~~  
11 ~~transit centers in a way that can contribute to a vibrant downtown community over the next several~~  
12 ~~years. The Planning Department is currently rezoning these areas to a "Downtown Residential" (DTR)~~  
13 ~~zoning that will enable significant new high-density residential development. These areas are lacking,~~  
14 ~~however, in even basic infrastructure and amenities necessary to serve a residential population, and~~  
15 ~~the need for these improvements will increase as the downtown's residential population, especially~~  
16 ~~families and children, grow with the transformation of these areas into dense mixed-use residential~~  
17 ~~districts. While the open space requirements imposed on individual developments address minimum~~  
18 ~~needs for private open space and access to light and air, such open space cannot provide the same~~  
19 ~~social and recreational opportunities as safe and attractive public sidewalks, parks and other~~  
20 ~~community services, nor does it contribute to the overall transformation of the district into a safe and~~  
21 ~~attractive residential area.~~

22 ~~In order to enable the City and County of San Francisco to create a coherent, attractive, and~~  
23 ~~safe residential neighborhood in these emerging downtown residential areas, and to increase property~~  
24 ~~values and investment in the district, it is necessary to upgrade existing streets and streetscaping, and~~  
25 ~~to acquire and develop neighborhood parks, recreation facilities and other community services to serve~~

1 ~~the new residential population. To fund such community infrastructure and amenities, new residential~~  
2 ~~development in the district shall be assessed development impact fees proportionate to the increased~~  
3 ~~demand for such infrastructure and amenities created by the new housing. The City will use the~~  
4 ~~proceeds of the fee to build new infrastructure and enhance existing infrastructure in the district or~~  
5 ~~within 250 feet of the district that provides direct benefits to the new housing. The net increase in~~  
6 ~~individual property values in these areas due to the enhanced neighborhood amenities financed with~~  
7 ~~the proceeds of the fee are expected to exceed the payments of fees by the sponsors of residential~~  
8 ~~development. A Community Improvements Impact Fee shall be established for DTR districts as set forth~~  
9 ~~herein.~~

10 ~~B. To respond to this identified need for housing, Rincon Hill and other downtown~~  
11 ~~neighborhoods are proposed to be rezoned as part of comprehensive neighborhood plans to encourage~~  
12 ~~high-density residential uses. These areas are currently occupied primarily by older commercial and~~  
13 ~~industrial uses with minimal public infrastructure and amenities to support a significant residential~~  
14 ~~population. In addition, very few residents currently reside in these areas. New residential development~~  
15 ~~in these areas will impact the local infrastructure and generate a substantial need for community~~  
16 ~~improvements as the district's population grows as a result of new residential development. Substantial~~  
17 ~~new investments in community infrastructure, including parks, pedestrian and streetscape~~  
18 ~~improvements, and other community facilities are necessary to mitigate the impacts of new~~  
19 ~~development in these districts.~~

20 ~~The amendments to the General Plan, Planning Code and Zoning Map that correspond to~~  
21 ~~Section 418.1 et seq. will permit an extraordinary amount of new residential development. More than~~  
22 ~~2,220 new units representing approximately 5,100 new residents would be anticipated in the~~  
23 ~~neighborhood, and along with other approved projects, will result in a 400% increase in the area's~~  
24 ~~residential population. This new development will have an extraordinary impact on the district's dated~~  
25 ~~infrastructure. As described more fully in the Rincon Hill Plan Final Environmental Impact Report,~~

1 ~~San Francisco Planning Department, Case No. 2000.1081E, 2005 on file with the Clerk of the Board in~~  
2 ~~File No. 050865, new development will also generate substantial new traffic in the area, which will~~  
3 ~~impact the area. The Rincon Hill Plan proposes to mitigate these impacts by providing extensive~~  
4 ~~pedestrian, traffic-calming and other streetscape improvements that will make it attractive to residents~~  
5 ~~to make as many daily trips as possible on foot, by bicycle or on transit. A comprehensive program of~~  
6 ~~new public infrastructure is necessary to mitigate the impacts of the proposed new development and to~~  
7 ~~provide these basic community improvements to the area's growing residential population.~~

8 ~~As a result of this new development, property tax revenue is expected to increase by as much as~~  
9 ~~\$29 million annually in Rincon Hill. These revenues will fund improvements and expansions to general~~  
10 ~~City services, including Police, Fire, Emergency, and other services needed to partially meet increased~~  
11 ~~demand associated with new development. Local impacts on the need for community infrastructure will~~  
12 ~~be extraordinary in Rincon Hill, compared to those typically funded by city government through~~  
13 ~~property tax revenues. The relative cost of capital improvements, along with the reduced role of State~~  
14 ~~and Federal funding sources, increases the necessity for development impact fees to cover these costs.~~  
15 ~~General property tax revenues will not be adequate to fully fund the costs of the community~~  
16 ~~infrastructure necessary to mitigate the impacts of new development in the Rincon Hill area.~~

17 ~~Development impact fees are a more cost-effective, realistic way to implement mitigations to a~~  
18 ~~local area associated with a particular development proposal's impact. As important, the proposed~~  
19 ~~Rincon Hill Community Infrastructure Impact Fee would be dedicated to the Rincon Hill area,~~  
20 ~~directing benefits of the fund directly to those who pay into the fund.~~

21 ~~While this fee will increase the overall burden on new development in the area, the burden is~~  
22 ~~typically reflected in a reduced sale price for developable land, or passed on to the buyers/renters of~~  
23 ~~housing in the area and thus is born primarily by those who have caused the impact and who will~~  
24 ~~ultimately enjoy the benefits of the community improvements it pays for.~~

1           ~~C.—The purpose of the proposed Rincon Hill Community Infrastructure Impact Fee is to~~  
2 ~~provide specific improvements, including community open spaces, pedestrian and streetscape~~  
3 ~~improvements and other facilities and services. These improvements are described in detail in the~~  
4 ~~Rincon Hill Plan and Section 418.1 et seq., and are necessary to meet established City standards for~~  
5 ~~the provision of such facilities. The Rincon Hill Community Improvements Fund and Community~~  
6 ~~Infrastructure Impact Fee will create the necessary financial mechanism to fund these improvements in~~  
7 ~~proportion to the need generated by new development.~~

8           ~~The capital improvements, which the fee would fund, are clearly described in Section 418.1 et~~  
9 ~~seq., and in Table 1 below. The fee would be used solely to fund the acquisition, design, and~~  
10 ~~construction, and maintenance of public facilities in DTR Districts, and specifically in the Rincon Hill~~  
11 ~~area. The proposed fees only cover impacts caused by new development and are not intended to remedy~~  
12 ~~already existing deficiencies; those costs will be paid for by other sources.~~

13           ~~The proposed improvements described in Table 1 are necessary to serve the new population at~~  
14 ~~the anticipated densities and meet established standards for local access to parks and community~~  
15 ~~facilities described in the General Plan.~~

16           ~~The exact amount of the fee has been calculated by the Department based on accepted~~  
17 ~~professional methods for the calculation of such fees described in more detail in the Department's case~~  
18 ~~report for Section 418.1 et seq., on file with the Clerk of the Board in File No. 050865. Cost estimates~~  
19 ~~are based on a detailed assessment of the potential cost to the city of providing the specific~~  
20 ~~improvements described in the Rincon Hill Plan.~~

21           ~~D.—The proposed Rincon Hill Community Infrastructure Impact Fee would fund mitigations~~  
22 ~~of the impacts of new development on:~~

- 23           ~~• Open Space: Acquisition and development of neighborhood parks;~~

1 —• *Streets: Extensive streetscape improvements throughout the district, including sidewalk*  
 2 *widenings on Spear, Main, Beale and Essex Streets that would result in useable neighborhood open*  
 3 *space;*

4 —• *Community Facilities: ADA, seismic and tenant improvements to the Sailor's Union of the*  
 5 *Pacific building at 450 Harrison Street that would make the building available for public uses,*  
 6 *including community arts, recreation and education facilities; and*

7 —• *Library Services: Funding to provide library services to the area's new residential*  
 8 *population to established City standards, whether provided in the area or in existing San Francisco*  
 9 *Public Library facilities.*

10 — *Specific capital improvements to mitigate the impact of new residential development in*  
 11 *Rincon Hill are proposed and detailed cost estimates have been developed. These are described in*  
 12 *Table I.*

13 *Table I*

14 *Cost Summary of the Proposed Rincon Hill*  
 15 *Community Infrastructure Improvements*

17 <i>Total Unit Potential Under the Proposed</i>	2,220
18 <i>Rezoning</i>	
19 <i>Average Unit Size (net SF)</i>	925
20 <i>Total Occupiable Residential SF (net SF)</i>	2,053,500
21 <i>Mitigation</i>	Cost
22 <i>Living Street Open Space Improvements</i>	\$ 5,924,406
23 <i>Pedestrian Safety and Streetscape</i>	3,883,953
24 <i>Improvements</i>	



1	<i>Traffic Calming to Residential Alleys</i>	<i>1,381,000</i>
2	<i>Rincon Hill Park</i>	<i>12,866,052</i>
3	<i>Essex Hillside Park</i>	<i>472,050</i>
4	<i>Sailor's Union of the Pacific Community</i>	<i>2,500,000</i>
5	<i>Center</i>	
6	<i>Library Services</i>	<i>601,718</i>
7	<i>Gross Cost of Community Facility</i>	
8	<i>Improvements</i>	<i>\$ 27,629,179</i>
9	<i>Less Current Requirements for Street</i>	
10	<i>Improvements</i>	<i>(1,701,679)</i>
11	<i>Net Cost of Community Facility</i>	
12	<i>Improvements</i>	<i>\$25,927,499.81</i>
13	<i>Average Cost per Occupiable Residential</i>	
14	<i>SF</i>	<i>\$ 12.63</i>
15	<i>SF Planning Department, April 2005</i>	

16  
17 *The costs in Table I are realistic estimates made by the Department of the actual costs for*  
18 *improvements related to mitigating the impacts of new development. Detailed cost estimates are on file*  
19 *at the Department in Case File No. 2000.108 and on file with the Clerk of the Board in File No.*  
20 *050865. The proposed fee would cover 85% of the estimated costs of the community improvements*  
21 *necessary to mitigate these impacts, as described in Table 2. By charging developers less than the*  
22 *maximum amount of the justified impact fee, the City avoids any need to refund money to developers if*  
23 *the fees collected exceed costs.*

24 *E. Section 418.1 et seq. imposes the following fee structure.*

Table 2

*Proposed Rincon Hill Community  
Infrastructure Impact Fee, Rates  
and Projected Fee Revenues*

	<i>All Projects</i>
<i>No. of Units</i>	<i>2,220</i>
<i>Total Occ. Res.</i> <i>SF**</i>	<i>2,109,000</i>
<i>Fee Rate/Occ. Res.</i> <i>SF</i>	<i>\$ 11.00</i>
<i>Projected Fee Revenue</i>	<i>\$ 23,199,000</i>
<i>**Assumes an average of 925 net SF per unit</i>	
<i>SF Planning Department, April 2005</i>	

*F. The proposed Rincon Hill Community Infrastructure Impact Fee is necessary to meet relevant State and national service standards, as well as local standards in the Goals and Objectives of the General Plan as described below:*

*Open Space: The San Francisco General Plan contains the following objectives and policies that call for the provision of streetscape parks and community facilities improvements to serve San Francisco's residential population: Recreation and Open Space Element Objective 2 (Develop and maintain a diversified and balanced citywide system of high quality public open space); Policy 2.1 (Provide an adequate total quantity and equitable distribution of public open spaces throughout the City); Policy 2.7 (Acquire additional open space for public use), Objective 4 (Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood), Policy 4.4 (Acquire*

1 ~~and develop new public open space in existing residential neighborhoods, giving priority to areas~~  
2 ~~which are most deficient in open space), Policy 4.6 (Assure the provision of adequate public open~~  
3 ~~space to serve new residential development), and Urban Design Element Policy 4.8 (Provide~~  
4 ~~convenient access to a variety of recreation opportunities).~~

5 ~~The Recreation and Open Space Element of the General Plan cites the National Park and~~  
6 ~~Recreation Association open space standard of 10 acres per 1,000 residents. Although it acknowledges~~  
7 ~~that this standard is unachievable in a built-out city with limited open space opportunities such as San~~  
8 ~~Francisco, it notes that San Francisco does have an average of approximately 5.5 open space acres per~~  
9 ~~resident, and states, "to the extent it reasonably can, the City should increase the per capita supply of~~  
10 ~~public open space within the City." This standard is consistent with the national standards for the~~  
11 ~~provision of open space to serve residential uses.~~

12 ~~Additionally, the General Plan contains standards for the distribution of public open space.~~  
13 ~~Areas within acceptable walking distance of open space include areas within 1/2 mile of a "Citywide"~~  
14 ~~open space (1–1,000 acres), 1/4 mile of a "District" open space (>10 acres), 1/4 mile of a "Neighborhood"~~  
15 ~~open space (1–10 acres), and 1/8 mile of a "Subneighborhood" open space (<1 acre).~~

16 ~~Map 2 of the Recreation and Open Space Element shows that the entirety of Rincon Hill is not~~  
17 ~~served by open space, and Figure 3 identifies the Rincon Hill area as an "Area Not Served by Public~~  
18 ~~Open Space." Map 4 identifies the Rincon Hill area as an area in which to "Provide New Open Space~~  
19 ~~in the General Vicinity."~~

20 ~~As a primarily industrial and commercial area, Rincon Hill has historically not had a great~~  
21 ~~need for open space. However, as this area transitions to residential use, new development will create a~~  
22 ~~need for open space to serve the new residential population, pursuant to Recreation and Open Space~~  
23 ~~Element Policy 4.6, which states, "Assure the provision of adequate public open space to serve new~~  
24 ~~residential development."~~

1            *The neighborhood open spaces which would be funded through the Rincon Hill Community*  
2 *Infrastructure Impact Fee would alleviate a portion of the impacts associated with new development*  
3 *and meet the needs of the new population by raising the per capita amount of open space in the district,*  
4 *and by bringing parts of the district within ¼ mile of an open space, the General Plan standard for*  
5 *"Neighborhood" open spaces (1–10 acres). Together with existing and other proposed parks,*  
6 *approximately 8.5 acres of open space would be available to serve the Rincon Hill area's projected*  
7 *population of 16,400 residents, or 0.52 acres of open space per 1,000 residents.*

8            *Streetscape Improvements: The proposed pedestrian and streetscape improvements would*  
9 *increase the amount of useable open space in Rincon Hill, improve pedestrian safety, reduce*  
10 *automobile trips and therefore mitigate traffic impacts expected in the district. Policy 4.11 of the Urban*  
11 *Design Element states, "Make use of street space and other unused public areas for recreation," and*  
12 *continues: "Walking along neighborhood streets is the common form of recreation. The usefulness of*  
13 *streets for this purpose can in many cases be improved by widening of sidewalks and installation of*  
14 *simple improvements such as benches and landscaping. Such improvements can often be put in place*  
15 *without narrowing of traffic lanes by use of parking bays with widening of sidewalks at the*  
16 *intersections and at other points unsuitable for parking. Streets that have roadways wider than*  
17 *necessary, and streets that are not developed for traffic because of their steepness, provide exceptional*  
18 *opportunities for recreation. These areas can be developed with playgrounds, sitting areas, viewpoints*  
19 *and landscaping that make them neighborhood assets and increase the opportunities for recreation*  
20 *close to the residents' homes."*

21            *Map 9 of the Recreation and Open Space Element identifies Rincon Hill as one area to*  
22 *"Improve Street Space for Recreation and Landscaping where Possible."*

23            *In Rincon Hill, which will be deficient in open space when built out as a residential*  
24 *neighborhood, and where available land for new open space is scarce, excess street space that can be*  
25 *used for open space forms an important component of the open space system. A portion of the funds*

1 collected from the Rincon Hill Community Infrastructure Impact Fee would be used to widen sidewalks  
2 on streets with excess roadway width, and use this space for recreation and open space amenities,  
3 helping to alleviate the open space need brought about by new development.

4 National and international transportation studies (such as the Dutch Pedestrian Safety  
5 Research Review, T. Hummel, SWOV Institute for Road Safety Research (Holland), and University of  
6 North Carolina Highway Safety Research Center for the U.S. Dpt. of Transportation, 1999 on file with  
7 the Clerk of the Board in File No. 050865) have demonstrated that pedestrian, traffic-calming and  
8 streetscape improvements of the type proposed for Rincon Hill result in safer, more attractive  
9 pedestrian conditions. These types of improvements are essential to making pedestrian activity safe and  
10 attractive in the district, thereby helping to mitigate traffic impacts associated with excess automobile  
11 trips that could otherwise be generated by new development.

12 Community Facilities: The Community Facilities Element of the General Plan contains the  
13 following relevant provisions: Objective 3 (Assure that Neighborhood Residents Have Access to  
14 Needed Services and a Focus for Neighborhood Activities), Policy 3.1 (Provide neighborhood centers  
15 in areas lacking adequate community facilities, Policy 3.3 (Develop centers to serve an identifiable  
16 neighborhood), Policy 3.4 (Locate neighborhood centers so they are easily accessible and near the  
17 natural center of activity), and Policy 3.5 (Develop neighborhood centers that are multipurpose in  
18 character, attractive in design, secure and comfortable, and inherently flexible in meeting the current  
19 and changing needs of the neighborhood served.

20 — Figure 2 of the Recreation and Open Space Element shows Rincon Hill as entirely outside of  
21 the service area for public gyms and recreation centers.

22 — A portion of the funds from the Rincon Hill Community Infrastructure Impact Fee would pay  
23 for tenant improvements to the Sailor's Union of the Pacific Building at 450 Harrison Street, for spaces  
24 within the building that would be used for public community arts, education and recreation facilities.  
25 National and international best practices identify the need to provide community facilities to serve

1 residential areas, especially in areas rezoned for high-density housing without existing community  
2 infrastructure. Vancouver, B.C. has established service standards for the provision of community  
3 facilities in high-density residential areas. The Department has determined that the community  
4 facilities proposed in Rincon Hill are consistent with these standards. Rincon Hill is currently deficient  
5 in community facilities; this condition will be exacerbated when the residential population of the area  
6 increases over time. Funds from the Community Infrastructure Impact Fee would be used to directly  
7 fund a new community center that would alleviate the deficiency brought about by the demand  
8 generated from new residents, by creating a public recreation, arts, and education facility accessible to  
9 all Rincon Hill residents.

10 — *Library Services:* New residents in Rincon Hill will generate a substantial new need for  
11 library services. The San Francisco Public Library has indicated that it does not anticipate adequate  
12 demand for a branch library in Rincon Hill at this time. However, the increase in population in Rincon  
13 Hill will create additional demand at other libraries, primarily the Main Library and the new Mission  
14 Bay branch library. The Rincon Hill Community Infrastructure Impact Fee includes a funding for  
15 library services equal to \$69 per new resident, which is consistent with the service standards used by  
16 the San Francisco Public Library for allocating resources to neighborhood branch libraries.

17 **(c) SoMa Community Stabilization Fund.** G. The development of the Rincon Hill  
18 Area Plan will also have economic impacts on the immediately surrounding area of  
19 SoMaSOMA. Specifically, the development will have impacts on affordable housing, economic  
20 and community development, and community cohesion in SoMaSOMA.

21 *H. Affordable Housing:* The findings in former Planning Code Section 315.2 of the  
22 *Inclusionary Affordable Housing Ordinance* are hereby readopted and updated as follows:

23 — *1. Affordable housing is a paramount statewide concern. In 1980, the Legislature declared*  
24 *in Government Code Section 65580:*

1           ~~——(a) The availability of housing is of vital statewide importance, and the early attainment~~  
2 ~~of decent housing and a suitable living environment for every California family is a priority of the~~  
3 ~~highest order.~~

4           ~~——(b) The early attainment of this goal requires the cooperative participation of~~  
5 ~~government and the private sector in an effort to expand housing opportunities and accommodate the~~  
6 ~~housing needs of Californians of all economic levels.~~

7           ~~——(c) The provision of housing affordable to low- and moderate-income households~~  
8 ~~requires the cooperation of all levels of government.~~

9           ~~——(d) Local and state governments have a responsibility to use the powers vested in them to~~  
10 ~~facilitate the improvement and development of housing to make adequate provision for the housing~~  
11 ~~needs of all economic segments of the community.~~

12           ~~——The Legislature further stated in Government Code Section 65581 that: It is the intent of~~  
13 ~~the Legislature in enacting this article:~~

14           ~~——(a) To assure that counties and cities recognize their responsibilities in contributing to~~  
15 ~~the attainment of the state housing goal.~~

16           ~~——(b) To assure that counties and cities will prepare and implement housing elements~~  
17 ~~which will move toward attainment of the state housing goal.~~

18           ~~——(c) To recognize that each locality is best capable of determining what efforts are~~  
19 ~~required by it to contribute to the attainment of the state housing goal.~~

20           ~~——The California Legislature requires each local government agency to develop a~~  
21 ~~comprehensive long-term general plan establishing policies for future development. As specified in the~~  
22 ~~Government Code (at Sections 65300, 65302(c), and 65583(c)), the plan must (1) "encourage the~~  
23 ~~development of a variety of types of housing for all income levels, including multifamily rental~~  
24 ~~housing"; (2) "[a]ssist in the development of adequate housing to meet the needs of low- and moderate-~~  
25 ~~income households"; and (3) "conserve and improve the condition of the existing affordable housing~~

1 ~~stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or~~  
2 ~~private action."~~

3       —2.— ~~San Francisco faces a continuing shortage of affordable housing for very low and low-~~  
4 ~~income residents. The San Francisco Planning Department reported that for the four year period~~  
5 ~~between 2000 and 2004, 8,389 total new housing units were built in San Francisco. This number~~  
6 ~~includes 1,933 units for low and very low income households out of a total need of 3,930 low and very~~  
7 ~~low income housing units for the same period. According to the state Department of Housing and~~  
8 ~~Community Development, there will be a regional need for 230,743 new housing units in the nine Bay~~  
9 ~~Area counties from 1999-2006. Of that amount, at least 58 percent, or 133,164 units, are needed for~~  
10 ~~moderate, low and very low income households. The Association of Bay Area Governments (ABAG) is~~  
11 ~~responsible for dividing the total regional need numbers among its member governments which~~  
12 ~~includes both counties and cities. ABAG estimates that San Francisco's low and very low income~~  
13 ~~housing production need from 1999 through 2006 is 7,370 units out of a total new housing need of~~  
14 ~~20,372 units, or 36% of all units built. Within the past four years, only 23% of all housing built, or 49%~~  
15 ~~of the previously projected housing need for low and very low income housing for the same period, was~~  
16 ~~produced in San Francisco. The production of moderate income rental units also fell short of the ABAG~~  
17 ~~goal. Only 351 moderate income units were produced over the previous four years, or 4% of all units~~  
18 ~~built, compared to ABAG's call for 28% of all units to be affordable to households of moderate income.~~  
19 ~~Given the need for 3,007 moderate income units over the 4 year period, only 12% of the projected need~~  
20 ~~for moderate income units was built.~~

21       —3.— ~~In response to the above mandate from the California Legislature and the projections of~~  
22 ~~housing needs for San Francisco, San Francisco has instituted several strategies for producing new~~  
23 ~~affordable housing units. The 2004 Housing Element of the General Plan recognizes the need to~~  
24 ~~support affordable housing production by increasing site availability and capacity for permanently~~  
25 ~~affordable housing through the inclusion of affordable units in larger market rate housing projects.~~



1 *Further, the City, as established in the General Plan, seeks to encourage the distribution of affordable*  
2 *housing throughout all neighborhoods and, thereby, offer diverse housing choices and promote*  
3 *economic and social integration. The 2004 Housing Element calls for an increase in the production of*  
4 *new affordable housing and for the development of mixed income housing to achieve social and*  
5 *cultural diversity. This legislation furthers the goals of the State Legislature and the General Plan.*

6 ~~— 4. The 2005 Consolidated Plan for July 1, 2000-June 30, 2005, issued by the Mayor's~~  
7 ~~Office of Community Development and the Mayor's Office of Housing establishes that extreme housing~~  
8 ~~pressures face San Francisco, particularly in regard to low- and moderate-income residents. Many~~  
9 ~~elements constrain housing production in the City. This is especially true of affordable housing. As~~  
10 ~~discussed in the 2004 Housing Element published by the City Planning Department, San Francisco is~~  
11 ~~largely built out, with very few large open tracts of land to develop. As noted in the 2000 Consolidated~~  
12 ~~Plan, its geographical location at the northern end of a peninsula inherently prevents substantial new~~  
13 ~~development. There is no available adjacent land to be annexed, as the cities located on San~~  
14 ~~Francisco's southern border are also dense urban areas. Thus new construction of housing is limited to~~  
15 ~~areas of the City not previously designated as residential areas, infill sites, or to areas with increased~~  
16 ~~density. New market-rate housing absorbs a significant amount of the remaining supply of land and~~  
17 ~~other resources available for development and thus limits the supply of affordable housing.~~

18 ~~— There is a great need for affordable rental and owner-occupied housing in the City.~~  
19 ~~Housing cost burden is one of the major standards for determining whether a locality is experiencing~~  
20 ~~inadequate housing conditions, defined as households that expend 30% or more of gross income for~~  
21 ~~rent or 35% or more of household income for owner costs. The 2000 Census indicates that 64,400~~  
22 ~~renter households earning up to 80% of the area median income are cost burdened. Of these, about~~  
23 ~~25,000 households earn less than 50% AMI and pay more than 50% of their income to rent. According~~  
24 ~~to more recent data from the American Housing Survey, 80,662 total renter households, or 41%, are~~  
25 ~~cost burdened in 2003. A significant number of owners are also cost burdened. According to 2000~~

1 *Census data, 18,237 of owners are cost-burdened, or 23% of all owner households. The 2003 American*  
2 *Housing Survey indicates that this level has risen to 29%.*

3 *—The San Francisco residential real estate market is one of the most expensive in the*  
4 *United States. In May 2005, the California Association of Realtors reported that the median priced*  
5 *home in San Francisco was \$755,000. This is 18% higher than the median priced home one year*  
6 *earlier, 44% higher than the State of California median, and 365% higher than the nation average.*  
7 *While the national home ownership rate is approximately 69%, only approximately 35% of San*  
8 *Franciscans own their own home. Clearly, the majority of market rate homes for sale in San Francisco*  
9 *are priced out of the reach of low and moderate income households. In May 2005, the average rent for*  
10 *a 2-bedroom apartment was \$1821, which is affordable to households earning over \$74,000.*

11 *—These factors contribute to a heavy demand for affordable housing in the City that the*  
12 *private market cannot meet. Each year the number of market rate units that are affordable to low*  
13 *income households is reduced by rising market rate rents and sales prices. The number of households*  
14 *benefiting from rental assistance programs is far below the need established by the 2000 Census.*  
15 *Because the shortage of affordable housing in the City can be expected to continue for many years, it is*  
16 *necessary to maintain the affordability of the housing units constructed by housing developers under*  
17 *this Program. The 2004 Housing Element of the General Plan recognizes this need. Objective 1 of the*  
18 *Housing Element is to provide new housing, especially permanently affordable housing, in appropriate*  
19 *locations which meets identified housing needs and takes into account the demand for affordable*  
20 *housing created by employment demand. Objective 6 is to protect the affordability of existing housing,*  
21 *and to ensure that housing developed to be affordable be kept affordable for 50-75 year terms, or even*  
22 *longer if possible.*

23 *—In 2004 the National Housing Conference issued a survey entitled "Inclusionary Zoning:*  
24 *The California Experience." The survey found that as of March 2003, there were 107 cities and*  
25 *counties using inclusionary housing in California, one-fifth of all localities in the state. Overall, the*

1 ~~inclusionary requirements were generating large numbers of affordable units. Only six percent of~~  
2 ~~jurisdictions reported voluntary programs, and the voluntary nature appears to compromise the local~~  
3 ~~ability to guarantee affordable housing production. While there was a wide range in the affordability~~  
4 ~~percentage requirements for inclusionary housing, the average requirement for affordability in rental~~  
5 ~~developments is 13%. Approximately half of all jurisdictions require at least 15% to be affordable, and~~  
6 ~~one quarter require 20% or more to be affordable.~~

7 ~~—5.—Development of new market-rate housing makes it possible for new residents to move to~~  
8 ~~the City. These new residents place demands on services provided by both public and private sectors.~~  
9 ~~Some of the public and private sector employees needed to meet the needs of the new residents earn~~  
10 ~~incomes only adequate to pay for affordable housing. Because affordable housing is in short supply~~  
11 ~~within the City, such employees may be forced to live in less than adequate housing within the City, pay~~  
12 ~~a disproportionate share of their incomes to live in adequate housing within the City, or commute ever-~~  
13 ~~increasing distances to their jobs from housing located outside the City. These circumstances harm the~~  
14 ~~City's ability to attain goals articulated in the City's General Plan and place strains on the City's ability~~  
15 ~~to accept and service new market-rate housing development.~~

16 ~~—6.—The development of affordable housing on the same site as market-rate housing~~  
17 ~~increases social and economic integration vis-a-vis housing in the City and has corresponding social~~  
18 ~~and economic benefits to the City. Inclusionary housing provides a healthy job and housing balance.~~  
19 ~~Inclusionary housing provides more affordable housing close to employment centers which in turn may~~  
20 ~~have a positive economic impact by reducing such costs as commuting and labor costs. However, there~~  
21 ~~may also be trade-offs where constructing affordable units at a different site than the site of the~~  
22 ~~principal project may produce a greater number of affordable units without additional costs to the~~  
23 ~~project sponsor. If a project sponsor may produce a significantly greater number of affordable units~~  
24 ~~off-site then it is in the best interest of the City to permit the development of affordable units at a~~  
25 ~~different location than that of the principal project.~~

1           —7.— *Provided project sponsors can take these requirements into consideration when*  
2 *negotiating to purchase land for a housing project, the requirements of this Section are generally*  
3 *financially feasible for project applicants to meet, particularly because of the benefits being conferred*  
4 *by the City to housing projects under Section 418.1 et seq. Section 418.1 et seq. provides a means by*  
5 *which a project sponsor may seek a reduction or waiver of the requirements of this mitigation fees if*  
6 *the project sponsor can show that imposition of these requirements would create an unlawful financial*  
7 *burden.*

8           —8.— *Conditional Use and Planned Unit Development Permits permit the development of*  
9 *certain uses not permitted as of right in specific districts or greater density of permitted residential*  
10 *uses. As the General Plan recognizes, through the conditional use and planned unit development*  
11 *process, applicants for housing projects generally receive material economic benefits. Such applicants*  
12 *are generally permitted to build in excess of the generally applicable black letter requirements of the*  
13 *Planning Code for housing projects resulting in increased density, bulk, or lot coverage or a reduction*  
14 *in parking or other requirements or an approval of a more intensive use over that permitted without the*  
15 *conditional use permit or planned unit development permit. Through the conditional use and planned*  
16 *unit development process, building standards can be relaxed in order to promote lower cost home*  
17 *construction. An additional portion of San Francisco's affordable housing needs can be supplied (with*  
18 *no public subsidies or financing) by private sector housing developers developing inclusionary*  
19 *affordable units in their large market rate projects in exchange for the density and other bonuses*  
20 *conferred by conditional use or planned unit development approvals, provided it is financially*  
21 *attractive for private sector housing developers to seek such conditional use and/or planned unit*  
22 *development approvals. In the Rincon Hill context, the City is conferring the traditional benefits of a*  
23 *conditional use permit through the provisions of the Rincon Hill Plan. Thus developers receive the*  
24 *benefits of a conditional use but their development is generally principally permitted.*

1           —9. ~~The City wants to balance the burden on private property owners with the demonstrated~~  
2 ~~need for affordable housing in the City. For the reasons stated above, the Board of Supervisors thus~~  
3 ~~intends to apply an inclusionary housing requirement to all residential projects of 10 units or more~~  
4 ~~and, due to the factors discussed above, the Board will apply the percentage assigned to conditional~~  
5 ~~use and planned unit development permits to all development in the Rincon Hill Plan Area.~~

6           10. ~~The Rincon Hill Plan enables new market rate development on major opportunity sites,~~  
7 ~~which, in effect, reduces land available for affordable housing. Furthermore, new market rate~~  
8 ~~development in Rincon Hill will be of greater density than allowed elsewhere in the South of Market,~~  
9 ~~increasing land values. This increase in land values further reduces the feasibility for affordable~~  
10 ~~housing in the Rincon Hill Plan area, and justifies imposition of a somewhat greater affordable~~  
11 ~~housing requirement on housing projects in the Rincon Hill Plan area.~~

12           (1) **Housing.** The Board has adopted extensive findings documenting generally the need for  
13 housing and particularly affordable housing and the impact of market rate housing development on the  
14 need for affordable housing in Section 415.1 and incorporates those findings herein. The proposed  
15 new development in the Rincon Hill area will also lead to increased home prices and  
16 increased rental rates in the immediate Rincon Hill area and the surrounding South of Market  
17 area. This new development and corresponding increase in prices in the Rincon Hill area will  
18 cause displacement of existing residents.

19           New development in the Rincon Hill area will be marketed to higher income groups  
20 than other new development in San Francisco. Higher income groups have a higher demand  
21 for services than other income groups, so a higher number of workers will need to be housed  
22 in the area. Workers in the service industry generally make less than median income. The  
23 development in Rincon Hill represents the development of a disproportionate share of the  
24 available land for remaining housing development in the City.

1 The new development creates the need for additional affordable housing in the South  
2 of Market neighborhood and the need to provide subsidies for existing residents so that they  
3 will not be displaced and can continue living in their current neighborhood. In order to avoid  
4 displacement from the new development, residents will also need financial support to avoid  
5 eviction.

6 In addition, through the amendments to the Rincon Hill Area Plan and related zoning  
7 maps, the overall development capacity of the Rincon Hill area will be increased by (1)  
8 increasing permitted height and bulk, (2) eliminating residential density limits by lot area, and  
9 (3) establishing a minimum residential to commercial use ratio. Existing permitted heights  
10 range from 80 feet up to a maximum of 250 feet. The new Rincon Hill zoning would increase  
11 heights up to 400-550 feet in selected locations. The permitted bulk for residential towers will  
12 be increased from a maximum floor plate of 7,500 sf to a range from 7,500 - 10,000 sf. The  
13 area's existing RC-4 zoning has a maximum permitted residential density of 1 unit per 200 of  
14 lot area; this limit will be eliminated and the height and bulk envelope will control the maximum  
15 development permitted. Thus project sponsors in the area are receiving a substantial increase  
16 in density over what is currently permitted.

17 **(2)I.—Economic and community development.** The new development in Rincon  
18 Hill will also change the economic landscape of the Rincon Hill area and the South of Market  
19 area. The new development in Rincon Hill will displace small businesses directly by focusing  
20 development in the neighborhood on residential development and indirectly due to higher  
21 rents and higher prices for real estate. Thus existing small businesses need financial  
22 assistance to avoid being displaced.

23 The new development in the Rincon Hill area will also affect the type of jobs available  
24 in the Rincon Hill and South of Market area. Current residents of SoMa are employed in the  
25 Rincon Hill and SoMa area. New development in the Rincon Hill area will concentrate on

1 residential development, thus pushing out other uses including light industrial uses and small  
2 business. Local workers will need to be retrained to avoid job displacement from the  
3 development in the Rincon Hill area. Financial assistance will support employment  
4 development, job placement, job development, and other forms of economic capacity building  
5 for SoMa residents to ameliorate the effects of the economic displacement. The City benefits  
6 from having workers live near to their work places in reduced commute times for residents,  
7 and reduced traffic congestion and associated pollution.

8 ~~(3)F.~~ **Community cohesion.** New development in the Rincon Hill area in such a vast  
9 quantity and of such a different character as currently exists will change the social fabric of the  
10 neighborhood. Programs to promote leadership development, community cohesion, and civic  
11 participation will also ameliorate the negative economic and social consequences of the new  
12 development in Rincon Hill on the residents and small businesses in Rincon Hill and the  
13 broader South of Market community.

14  
15 **SEC. 418.3 APPLICATION OF RINCON HILL COMMUNITY IMPROVEMENTS FEE AND**  
16 **SOMA COMMUNITY STABILIZATION FEE.**

17 \* \* \* \*

18 (g) Timing of Fee Payments. The Rincon Hill Community Infrastructure Impact Fee  
19 and SOMA Stabilization Fee is due and payable to the Development Fee Collection Unit at  
20 DBI ~~prior to~~ at the time of and in no event later than issuance of the first construction document,  
21 with an option for the project sponsor to defer payment to prior to issuance of the first  
22 certificate of occupancy upon agreeing to pay a deferral surcharge that would be paid into the  
23 appropriate fund in accordance with Section 107A.13.3 of the San Francisco Building Code.

24 \* \* \* \*

25

1           **SEC. 418.5. RINCON HILL COMMUNITY IMPROVEMENTS FUND.**

2           (a) There is hereby established a separate fund set aside for a special purpose  
3 entitled the Rincon Hill Community Improvements Fund ("Fund"). All monies collected by the  
4 Development Fee Collection Unit at DBI pursuant to Section 418.3(e) shall be deposited in ~~a~~  
5 ~~special~~ the Ffund maintained by the Controller. The receipts in the Fund ~~shall be~~ ~~are hereby~~  
6 appropriated in accordance with law through the normal budgetary process ~~to be used solely~~ to  
7 fund public infrastructure and other allowable improvements subject to the conditions of this  
8 Section.

9           (b)     ~~Use of Funds~~Fund Expenditure.

10           (1)     Rincon Hill Infrastructure. All monies deposited in the Fund shall be used  
11 solely to design, engineer, acquire, improve, and develop neighborhood recreation and open  
12 spaces, pedestrian and streetscape improvements, ~~and bicycle infrastructure~~public library  
13 ~~resources and facilities, a community center, and other improvements~~ that result in new publicly-  
14 accessible facilities or other allowable improvements within the Rincon Hill Downtown  
15 Residential (DTR) District or within 250 feet of the District, ~~except that funds used for "public~~  
16 ~~library resources and facilities" may be used to augment services, resources, materials, equipment or~~  
17 ~~facilities at a public library outside of the Rincon Hill DTR District or within 250 feet of the District,~~  
18 ~~provided that such library is conveniently located such that it will demonstrably serve the increased~~  
19 ~~population of the Rincon Hill district.~~ These improvements expenditures shall be consistent with the  
20 Rincon Hill Public Open Space System as described in Map 5 of the Rincon Hill Area Plan of  
21 the General Plan and the Rincon Hill Streetscape Plan. The Fund shall be allocated in accordance  
22 with Table 418.5., and any Rincon Hill Improvements Plan that is approved by the Board of  
23 Supervisors in the future, ~~except that monies from the Fund may be used by the Planning Commission~~  
24 ~~to commission economic analyses for the purpose of revising the fee pursuant to Section 418.3 above,~~  
25 ~~to complete a nexus study to demonstrate the relationship between residential development and the~~



1 ~~need for public facilities if this is deemed necessary, or to commission landscape architectural or other~~  
 2 ~~planning, design and engineering services in support of the proposed public improvements, provided~~  
 3 ~~they do not exceed a total of \$500,000.~~

4 **Table 418.5**

5 **Breakdown of Use of Rincon Hill Community Improvements Fee by Infrastructure Type**

<b><u>Improvement Type</u></b>	<b><u>Dollars Received from Residential Development</u></b>	<b><u>Dollars Received from Commercial Development</u></b>
<i><u>Complete Streets: Pedestrian and Streetscape Improvements</u></i>	<i><u>79%</u></i>	<i><u>Not applicable</u></i>
<i><u>Recreation and Open Space</u></i>	<i><u>16%</u></i>	<i><u>Not applicable</u></i>
<i><u>Program Administration</u></i>	<i><u>5%</u></i>	<i><u>Not applicable</u></i>

13 \_\_\_\_\_(2) **SoMa Stabilization Fund.** Notwithstanding Subsection (b)(1) above, \$6  
 14 million of the Fund shall be transferred to the SoMa Stabilization Fund described in Section  
 15 418.7 to be used exclusively for the following expenditures: SoMaOpen Space Facilities  
 16 Development and Improvement; Community Facilities Development and Improvement; SoMa  
 17 Pedestrian Safety Planning, Traffic Calming, and Streetscape Improvement; and  
 18 Development of new affordable housing in SoMa. The Board of Supervisors finds that it is in  
 19 the best interest of the City that the Rincon Hill Community Improvements be built. ~~The Board~~  
 20 ~~of Supervisors further finds that the City will be able to build sufficient community improvements for~~  
 21 ~~the Rincon Hill Plan Area with the remainder of the money in the Rincon Hill Community~~  
 22 ~~Improvements Fund. In the event that the Department demonstrates to the Board that the City is unable~~  
 23 ~~to build the contemplated community improvements for the Plan Area, it shall be City policy to~~  
 24 ~~designate funds from the general fund received from real estate transfer taxes and property taxes on~~  
 25

1 ~~new development generated under the Rincon Hill Plan Area Plan approved in this ordinance sufficient~~  
2 ~~to finance the rest of the community improvements proposed for the Rincon Hill Plan Area.~~

3 (3) **Program Administration.** No portion of the Fund may be used, by way of  
4 loan or otherwise, to pay any administrative, general overhead, or similar expense of any  
5 public entity, except for the purposes of administering this fund in an amount not to exceed 5 % of  
6 the total annual revenue. Administration of this fund includes maintenance of the Fund, time and  
7 materials associated with processing and approving fee payments and expenditures from the  
8 Fund (including necessary hearings), reporting or informational requests related to the Fund,  
9 and coordination between public agencies regarding determining and evaluating appropriate  
10 expenditures of the Fund, ~~but shall not include design, engineering, real estate, or planning~~  
11 ~~activities related to projects using Fund expenditures. Expenditures related to administration of the~~  
12 ~~fund shall not exceed 4% of the aggregate value of fee payments subject to Section 418.3, including any~~  
13 ~~in-kind agreements. Monies from the Fund may be used by the Planning Commission to commission~~  
14 ~~economic analyses for the purpose of revising the fee under Section 418.3 above, to complete a nexus~~  
15 ~~study to demonstrate or update the relationship between residential development and the need for~~  
16 ~~public facilities, or to commission landscape, architectural or other planning, design and engineering~~  
17 ~~services in support of the proposed public improvements.~~ All interest earned on this account shall  
18 be credited to the Rincon Hill Community Improvements Fund.

19 (c) ~~The Controller's Office shall file a report with the Board of Supervisors in even-~~  
20 ~~numbered years, which report shall set forth the amount of money collected in the Fund. The Fund~~  
21 ~~shall be administered by the Planning Commission.~~

22 (cd) **Acquisition of New Open Space.** A public hearing shall be held by both the  
23 Planning and Recreation and Parks Commissions to elicit public comment on proposals for  
24 the acquisition of property using monies in the Fund or through agreements for financing In-  
25 Kind Community Improvements via a Mello-Roos Community Facilities District that will

1 ultimately be maintained by the Department of Recreation and Parks. Notice of public  
2 hearings shall be published in an official newspaper at least 20 days prior to the date of the  
3 hearing, which notice shall set forth the time, place, and purpose of the hearing. The hearing  
4 may be continued to a later date by a majority vote of the members of both Commissions  
5 present at the hearing. ~~At a joint public hearing, a quorum of the Planning and The~~ Recreation and  
6 Parks Commissions may vote to recommend to the Board of Supervisors that it appropriate money  
7 from allocate the monies in the Fund for acquisition of property for park use and/or for  
8 development of property for park use, ~~or to approve projects proposed in connection with an~~  
9 ~~agreement for In-Kind or CFD Improvements.~~

10 (de) The Planning Commission shall work to develop a proposed expenditure plan with  
11 other City agencies and commissions, specifically the Department of Recreation and Parks,  
12 DPW, and the Metropolitan San Francisco Municipal Transportation Agency, to develop a  
13 proposed expenditure plan, and to develop agreements related to the administration of the  
14 development of new public facilities within public rights-of-way or on any acquired property  
15 ~~designed for park use, using such monies as have been allocated for that purpose at~~ The proposed  
16 expenditure plan shall be subject to approval by the Board of Supervisors ~~a hearing of the Planning~~  
17 ~~Commission.~~

18 (ef) The Director shall have the authority to prescribe rules and regulations governing  
19 the Fund, which are consistent with Section 418.1 et seq. The Director of Planning, as the head  
20 of the Interagency Plan Implementation Committee (IPIC), shall make recommendations to the Board  
21 regarding allocation of funds.

22  
23 **SEC. 419.3. APPLICATION OF UMU AFFORDABLE HOUSING REQUIREMENTS**

24 \* \* \* \*

1 (c) **Timing and Payment of Fee.** Any fee required by Section 419.1 et seq. shall be  
2 paid to the Development Fee Collection Unit at DBI ~~prior to~~ at the time of and in no event later  
3 than issuance of the first construction document, with an option for the project sponsor to defer  
4 payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a  
5 deferral surcharge in accordance with Section 107A.13.3 of the San Francisco Building Code.

6 \* \* \* \*

7  
8 **SEC. 420.1. PURPOSE AND FINDINGS SUPPORTING VISITACION VALLEY**  
9 **COMMUNITY IMPROVEMENTS FEE AND FUND.**

10 (a) **Purpose.** ~~New Residential and Non-Residential Uses.~~ The Visitacion Valley Fee Area  
11 (Fee Area) is located along the southeastern border of San Francisco and includes the area  
12 bounded by McLaren Park to the west, the San Mateo County line to the south, Mansell Street  
13 to the north, and Highway 101 and Bayview Park to the east. The Board takes legislative notice  
14 of the purpose of ~~The Fee Area includes~~ the following planning areas: Executive Park Subarea  
15 Plan of the Bayview Hunters Point Area Plan, Schlage Lock, and the Visitacion Valley  
16 Redevelopment Area, including the Schlage Lock site. The Board also takes notice of the HOPE SF  
17 program, specifically the ~~and~~ HOPE SF development at Sunnydale. Jointly these plans and  
18 program aim to strengthen neighborhood character, the neighborhood commercial district, and  
19 transit by increasing the housing and retail capacity in the area. This project goal will also help  
20 to meet ABAG's projected demand to provide housing in the Bay Area by encouraging the  
21 construction of higher density housing. The Plan builds on existing neighborhood character  
22 and establishes new standards for amenities necessary for a transit-oriented neighborhood.  
23 In addition, the Board notes the findings made in the above-referenced Plans that support the  
24 establishment of the Visitacion Valley Community Improvements Fee and Fund, specifically that new

1 development in Visitacion Valley creates the need for improvements in pedestrian and streetscape  
2 amenities, bicycle infrastrucutre, recreation and open space facilities, and childcare.

3 (b) Findings. The Board of Supervisors has reviewed the San Francisco Citywide Nexus  
4 Analysis prepared by AECOM dated March 2014 (“Nexus Analysis”), and the San Francisco  
5 Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the  
6 Clerk of the Board in File No. 150149 and, under Section 401A, adopts the findings and conclusions of  
7 those studies and the general and specific findings in that Section, specifically including the Recreation  
8 and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, and Bicycle  
9 Infrastructure Findings and incorporates those by reference herein to support the imposition of the fees  
10 under this Section.

11 The Board takes legislative notice of the findings supporting these fees in former Planning Code  
12 Section 420.1 (formerly Section 318.10 et seq.) and the materials associated with Ordinance No. 3-11  
13 in Board File No. 101247. To the extent that the Board previously adopted fees in this Area Plan that  
14 are not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including  
15 but not limited to fees related to transit, the Board continues to rely on its prior analysis and the  
16 findings it made in support of those fees.

17 ~~(b) Need for Public Improvements to Accompany New Uses. The City anticipates an increase~~  
18 ~~of at least 5,049 new housing units within the next 20 years, and over 52 new jobs, as described in the~~  
19 ~~Visitacion Valley Nexus Study on file with the Clerk of the Board in File No. 101247 and incorporated~~  
20 ~~by reference herein. This new development will have an impact on the Area's neighborhood~~  
21 ~~infrastructure. New development will generate needs for a new Library, street improvements, transit~~  
22 ~~improvements, community facilities, childcare and parks and recreation amenities, as described in the~~  
23 ~~Visitacion Valley Nexus Study, on file with the Clerk of the Board. Various City agencies and related~~  
24 ~~planning efforts intend to address existing deficiencies and new impacts through a comprehensive~~  
25 ~~package of community improvements. This Program will enable the City and County of San Francisco~~

1 *to provide necessary public infrastructure to new residents while increasing neighborhood livability*  
2 *and investment in the district.*

3 ~~—(c) Programmed Improvements. General public improvements and amenities needed to meet~~  
4 ~~the needs of both existing residents, as well as those needs generated by new development, have been~~  
5 ~~identified through the various community planning processes, including the Visitacion Valley/Schlage~~  
6 ~~Lock Master Plan, the Executive Park Neighborhood Plan, and the HOPE SF Sunnydale process. The~~  
7 ~~City developed generalized cost estimates, based on similar project types implemented by the City in~~  
8 ~~the relevant time period, to provide reasonable approximations for the eventual cost of providing~~  
9 ~~necessary community improvements to respond to identified community needs. In some cases, design~~  
10 ~~work, engineering, and environmental review will be required and may alter the nature of the~~  
11 ~~improvements, as well as the sum total of the cost for these improvements.~~

12 ~~—(d) Visitacion Valley Impact Fee. Development impact fees are an effective approach to~~  
13 ~~mitigate impacts associated with growth in population. The proposed Visitacion Valley Impact Fee~~  
14 ~~would be dedicated to community improvements in the described fee area; directing benefits of the fund~~  
15 ~~to those who pay into the fund by providing the necessary infrastructure improvements needed to serve~~  
16 ~~new development. The Planning Department has calculated the fee rate based on accepted professional~~  
17 ~~methods for the calculation of such fees, and described fully in the Visitacion Valley Nexus Study.~~

18 ~~—The proposed fee would cover less than the full impact of new development. The proposed~~  
19 ~~fee only covers a portion of impacts caused by new development and is not intended to remedy existing~~  
20 ~~deficiencies. Existing deficiency costs will be paid for by the public, the community, and other private~~  
21 ~~sources. Residential and non-residential impact fees are only one of many revenue sources necessary to~~  
22 ~~implement the community improvements outlined in the Plan.~~

23

	<i>Nexus</i> <i>Amount per sf</i>
--	--------------------------------------

24

25

<i>Library</i>	<i>17%</i>
<i>Transportation</i>	<i>28%</i>
<i>Parks &amp; Recreation</i>	<i>24%</i>
<i>Child Care</i>	<i>22%</i>
<i>Community Facilities</i>	<i>9%</i>
<i>Total per sf</i>	<i>\$4.58</i>

*(e) The Board of Supervisors has reviewed the record for this item including but not limited to the Nexus study, the Planning Department file, the recommendation of the Planning Commission, staff analysis, and public testimony and, on that basis finds that the study supports the requirements of the Visitacion Valley Community Facilities and Infrastructure Fee and Fund. Specifically, the Board finds that Nexus study and the record: identify the purpose of the fee to mitigate impacts on the demand for the identified community facilities and infrastructure; identify the use to which the fee is to be put as being to build a new Library; and make improvements to the following community facilities and infrastructure: transportation, parks and recreation, childcare, and community facilities; and establishes a reasonable relationship between the use of the fee for the identified community facilities and infrastructure and the need for these facilities caused by the construction of new residential and non residential development. Moreover, the Board finds that the fee is less than the cost of mitigation and does not include the costs of remedying any existing deficiencies. The Board also finds that the Nexus Study establishes that the fee does not duplicate other City requirements or fees.*

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

\* \* \* \*

1 (d) Timing and Payment of Fee. Any fee required by Section 420.1 et seq. shall be  
2 paid to the Development Fee Collection Unit at DBI ~~prior to~~ at the time of and in no event later  
3 than issuance of the first construction document, with an option for the project sponsor to defer  
4 payment to prior to issuance of the first certificate of occupancy upon agreeing to pay a  
5 deferral surcharge that would be deposited into the Visitation Valley Community Facilities and  
6 Infrastructure Fund in accordance with Section 402 of this Article and Section 107A.13 of the  
7 San Francisco Building Code.

8 \* \* \* \*

9  
10 **SEC. 420.6. VISITACION VALLEY COMMUNITY IMPROVEMENTS ~~FACILITIES AND~~**  
11 **~~INFRASTRUCTURE~~ FUND.**

12 (a) There is hereby established a separate fund set aside for a special purpose  
13 entitled the Visitation Valley Community Facilities and Infrastructure Fund ("Fund"). All monies  
14 collected by DBI pursuant to Section 420.3(b) shall be deposited in the Fund which shall be  
15 maintained by the Controller. The receipts in the Fund shall be appropriated in accordance with  
16 law through the normal budgetary process to fund public infrastructure and other allowable  
17 improvements subject to the conditions of this Section.

18 (b) ~~The receipts in the Fund are, subject to the budgetary and fiscal provisions of the Charter,~~  
19 ~~to be used solely to fund community facilities and infrastructure in Visitation Valley, including but not~~  
20 ~~limited to capital improvements to library facilities, playgrounds, recreational facilities, open space,~~  
21 ~~childcare, and transportation. All monies deposited in the Fund shall be used solely to design,~~  
22 engineer, acquire, develop, and improve neighborhood recreation and open spaces, pedestrian and  
23 streetscape improvements, childcare facilities, bicycle infrastructure and other improvements that  
24 result in new publicly accessible facilities and related resources within the Visitation Valley or within  
25



1 250 feet of the Visitacion Valley Fee Area. The Fund shall be allocated in accordance with Table  
 2 420.6A.

3 **Table 420.6A**

4 **Breakdown of Use of Visitacion Valley Community Improvements Fund by Infrastructure**  
 5 **Type**

<b><u>Improvement Type</u></b>	<b><u>Dollars Received From Residential Development</u></b>	<b><u>Dollars Received From Non-Residential Development</u></b>
<u>Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Infrastructure</u>	<u>45%</u>	<u>45%</u>
<u>Recreation and Open Space</u>	<u>30%</u>	<u>30%</u>
<u>Childcare</u>	<u>20%</u>	<u>20%</u>
<u>Program Administration</u>	<u>5%</u>	<u>5%</u>

15  
 16 (c) **Program Administration.** No portion of the Fund may be used, by way of loan or  
 17 otherwise, to pay any administrative, general overhead, or similar expense of any public  
 18 entity, except for the administration of this fund in an amount not to exceed 45% of the total  
 19 annual revenue. Administration of this fund includes maintenance of the Fund, time and materials  
 20 associated with processing and approving fee payments and expenditures from the Fund (including  
 21 necessary hearings), reporting or informational requests related to the Fund, and coordination  
 22 between public agencies regarding determining and evaluating appropriate expenditures of the Fund.  
 23 Monies from the Fund may be used by the Planning Commission to commission economic analyses for  
 24 the purpose of revising the fee under Section 418.3 above, to complete a nexus study to demonstrate or  
 25 update the relationship between residential development and the need for public facilities, or to

1 commission landscape, architectural or other planning, design and engineering services in support of  
2 the proposed public improvements. All interest earned on this account shall be credited to the  
3 Visitacion Valley Improvements Fund.

4 (d) Acquisition of New Open Space. A public hearing shall be held by the Recreation  
5 and Parks Commission to elicit public comment on proposals for the acquisition of property  
6 using monies in the Fund or through agreements for financing In-Kind Community  
7 Improvements via a Mello-Roos Community Facilities District that will ultimately be maintained  
8 by the Department of Recreation and Parks. Notice of public hearings shall be published in an  
9 official newspaper at least 20 days prior to the date of the hearing, which notice shall set forth  
10 the time, place, and purpose of the hearing. The Parks Commission may vote to recommend  
11 to the Board of Supervisors that it appropriate money from the Fund for acquisition of property  
12 for park use and for development of property acquired for park use.

13 (e) The Planning Commission shall work with other City agencies and  
14 commissions, specifically the Department of Recreation and Parks, DPW, and the  
15 Metropolitan San Francisco Municipal Transportation Agency, to develop agreements related to  
16 the administration of the improvements to existing and development of new public facilities  
17 within public rights-of-way or on any acquired property designed for park use, ~~using such~~  
18 ~~monies as have been allocated for that purpose at a hearing of the Board of Supervisors.~~ The proposed  
19 expenditure plan shall be subject to approval by the Board of Supervisors.

20 (f) The Director of Planning shall have the authority to prescribe rules and  
21 regulations governing the Fund, which are consistent with this Section 420.1 et seq. The  
22 Director of Planning, as the head of the Interagency Plan Implementation Committee (IPIC), shall  
23 make recommendations to the Board regarding allocation of funds.

24 ~~(g) The Controller's Office shall file a report with the Board of Supervisors in even-~~  
25 ~~numbered years, which report shall set forth the amount of money collected in the Fund.~~

1  
2           **SEC. 421.1. PURPOSE AND FINDINGS SUPPORTING THE MARKET AND OCTAVIA**  
3 **COMMUNITY IMPROVEMENTS FUND.**

4           (a) Purpose. The Board takes legislative notice of the purpose of the Market and Octavia  
5 Area Plan (“Area Plan”) as articulated in the Market and Octavia Area Plan of the San Francisco  
6 General Plan. In general, the Market and Octavia Area Plan A. ~~Market and Octavia Plan Objectives.~~  
7 The Market and Octavia Area Plan embodies the community's vision of a better neighborhood,  
8 which achieves multiple objectives including creating a healthy, vibrant transit-oriented  
9 neighborhood. The Planning Department coordinated development of the Area Plan objectives  
10 around the tenants of the Better Neighborhood Planning process and within the larger framework of  
11 the General Plan.

12           —The Market and Octavia Plan Area encompasses a variety of districts, most of  
13 which are primarily residential or neighborhood commercial. The Area Plan calls for a  
14 maintenance of the well-established neighborhood character in these districts with a shift to a  
15 more transit-oriented type of districts. A transit-oriented district, be it neighborhood  
16 commercial or residential in character, generates a unique type of infrastructure needs.

17           The overall objective of the Market and Octavia planning effort is to encourage  
18 balanced growth in a centrally located section of the City that is ideal for transit oriented  
19 development. The Area Plan calls for an increase in housing and retail capacity simultaneous  
20 to infrastructure improvements in an effort to maintain and strengthen neighborhood  
21 character. In addition, the Board notes the findings made in the Market and Octavia Area Plan that  
22 support the establishment of the Market and Octavia Community Improvements Fund.

23           —B. Need for New Housing and Retail. New residential construction in San Francisco is  
24 necessary to accommodate a growing population. The population of California has grown by more  
25

1 *than 11 percent since 1990 and is expected to continue increasing. The San Francisco Bay Area is*  
2 *growing at a rate similar to the rest of the state.*

3 *—The City should encourage new housing production in a manner that enhances existing*  
4 *neighborhoods and creates new high-density residential and mixed-use neighborhoods. One solution to*  
5 *the housing crisis is to encourage the construction of higher density housing in areas of the City best*  
6 *able to accommodate such housing. Areas like the Plan Area can better accommodate growth because*  
7 *of easy access to public transit, proximity to downtown, convenience of neighborhood shops to meet*  
8 *daily needs, and the availability of development opportunity sites. San Francisco's land constraints, as*  
9 *described in Section 418.1(A), limit new housing construction to areas of the City not previously*  
10 *designated as residential areas, infill sites, or areas that can absorb increased density.*

11 *—The Market and Octavia Plan Area presents opportunity for infill development on various*  
12 *sites, including parcels along Octavia Boulevard known as "the Central Freeway parcels," some*  
13 *parcels along Market Street, and the SoMa West portions of the Plan Area. These sites are compelling*  
14 *opportunities because new housing can be built within easy walking distance of the downtown and*  
15 *Civic Center employment centers and City and regional transit centers, while maintaining the*  
16 *comfortable residential character and reinforcing the unique and exciting neighborhood qualities.*

17 *—To respond to the identified need for housing, repair the fabric of the neighborhood, and*  
18 *support transit-oriented development, the Market and Octavia Plan Area is zoned for the appropriate*  
19 *residential and commercial uses. The Planning Department is adding a Van Ness Market Downtown*  
20 *Residential Special Use District (VNMDR-SUD) in the Plan Area and establishing a Residential*  
21 *Transit-oriented (RTO) district and several Neighborhood Commercial Transit (NCT) districts. New*  
22 *zoning controls encourage housing and commercial development appropriate to each district.*

23 *—The plan builds on existing neighborhood character and establishes new standards for*  
24 *amenities necessary for a transit-oriented neighborhood. A transit-oriented neighborhood requires a*  
25

1 ~~full range of neighborhood serving businesses. New retail and office space will provide both~~  
2 ~~neighborhood and City serving businesses.~~

3 ~~— San Francisco is experiencing a severe shortage of housing available to people at all~~  
4 ~~income levels, especially to those with the lowest incomes while seeing a sharp increase in housing~~  
5 ~~prices. The Association of Bay Area Governments' (ABAG) Regional Housing Needs Determination~~  
6 ~~(RHND) forecasts that San Francisco must produce 2,716 new units of housing annually to meet~~  
7 ~~projected needs. At least 5,639 of these new units should be available to moderate income households.~~  
8 ~~New affordable units are funded through a variety of sources, including inclusionary housing and in~~  
9 ~~lieu fees leveraged by new market rate residential development pursuant to Sections 413 and 415. The~~  
10 ~~Planning Department projects that approximately 1,400 new units of affordable housing will be~~  
11 ~~developed as a result of the plan. New Development Requires new Community Infrastructure. The~~  
12 ~~purpose for new development in the Plan Area is established above (Section 421.1(A)). For example,~~  
13 ~~New construction should not diminish the City's open space, jeopardize the City's Transit~~  
14 ~~First Policy, or place undue burden on the City's service systems. The new residential and~~  
15 ~~non-residential construction should preserve the existing neighborhood services and~~  
16 ~~character, as well as increase the level of service for all modes necessary to support transit-~~  
17 ~~oriented development. New development in the area will create additional impact on the local~~  
18 ~~infrastructure, thus generating a substantial need for community improvements as the~~  
19 ~~district's population and workforce grows.~~

20 ~~— The amendments to the General Plan, Planning Code, and Zoning Maps that correspond to~~  
21 ~~Section 421.1 et seq. will permit an increased amount of new residential and commercial development.~~  
22 ~~The Planning Department anticipates an increase of 5,960 units within the next 20 years, and an~~  
23 ~~increase of 9,875 residents, as published in the environmental impact report. This new development~~  
24 ~~will have an extraordinary impact on the Plan Area's infrastructure including new development in the~~  
25 ~~adjacent Upper Market NCD. As described more fully in the Market and Octavia Plan Final~~

1 *Environmental Impact Report, on file with the Clerk of the Board in File No. 071157, and the Market*  
2 *and Octavia Community Improvements Program Document, San Francisco Planning Department on*  
3 *file with the Clerk of the Board in File No. 071157, new development will generate substantial new*  
4 *pedestrian, vehicle, bicycle, and transit trips which will impact the area. The transition to a new type of*  
5 *district is tantamount to the development of new subdivisions, or the transition of a district type, in*  
6 *terms of the need for new infrastructure.*

7 *—The Market and Octavia Area Plan proposes to mitigate these impacts by providing*  
8 *extensive pedestrian, transit, traffic-calming and other streetscape improvements that will encourage*  
9 *residents to make as many daily trips as possible on foot, by bicycle or on transit; by creating new open*  
10 *space, greening, and recreational facilities that will provide necessary public spaces; and by*  
11 *establishing a range of other services and programming that will meet the needs of community*  
12 *members. A comprehensive program of new public infrastructure is necessary to lessen the impacts of*  
13 *the proposed new development and to provide the basic community improvements to the area's new*  
14 *community members. The Market and Octavia Community Improvements Program Document provides*  
15 *a more detailed description of proposed Community Improvements.*

16 *—In order to enable San Francisco to provide necessary public services to new residents; to*  
17 *maintain and improve the Market and Octavia Plan Area character and Upper Market NCD; and to*  
18 *increase neighborhood livability and investment in the district, it is necessary to upgrade existing*  
19 *streets and streetscaping; acquire and develop neighborhood parks, recreation facilities and other*  
20 *community facilities to serve the new residents and workers.*

21 *—While the open space requirements imposed on individual developments address minimum*  
22 *needs for private open space and access to light and air, such open space does not provide the*  
23 *necessary public social and recreational opportunities as attractive public facilities such as sidewalks,*  
24 *parks and other community facilities that are essential urban infrastructure, nor does it contribute to*  
25 *the overall transformation of the district into a safe and enjoyable transit-oriented neighborhood.*

1           —~~C.~~ *Program Scope.* The purpose of the proposed Market and Octavia Community  
2 Infrastructure Impact Fees is to provide specific public improvements, including community  
3 open spaces, pedestrian and streetscape improvements and other facilities and services.  
4 These improvements are described in the Market and Octavia Area Plan and Neighborhood  
5 Plan and the accompanying ordinances, and are necessary to meet established City  
6 standards for the provision of such facilities. The Market and Octavia Community  
7 Improvements Fund and Community Infrastructure Impact Fee will create the necessary  
8 financial mechanism to fund these improvements in proportion to the need generated by new  
9 development.

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

18           *The Board takes legislative notice of the findings supporting these fees in former Planning Code*  
19 *Section 421.1 (formerly Section 326 et seq.) and the materials associated with Ordinance No. 72-08 in*  
20 *Board File No. 071157. To the extent that the Board previously adopted fees in this Area Plan that are*  
21 *not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including but*  
22 *not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it*  
23 *made in support of those fees. — National and international transportation studies (such as the Dutch*  
24 *Pedestrian Safety Research Review. T. Hummel, SWOV Institute for Road Safety Research (Holland),*  
25 *and University of North Carolina Highway Safety Research Center for the U.S. Department of*

1 *Transportation, 1999 on file with the Clerk of the Board have demonstrated that pedestrian, traffic-*  
2 *calming and streetscape improvements of the type proposed for the Market and Octavia Plan Area*  
3 *result in safer, more attractive pedestrian conditions. These types of improvements are essential to*  
4 *making pedestrian activity a viable choice, thereby helping to mitigate traffic impacts associated with*  
5 *excess automobile trips that could otherwise be generated by new development.*

6 *—The proposed Market and Octavia Community Infrastructure Impact Fee is necessary to*  
7 *maintain progress towards relevant state and national service standards, as well as local standards in*  
8 *the Goals and Objectives of the General Plan for open space and streetscape improvements as*  
9 *discussed in Section 418.1(F). Additionally the fee contributes to library resources and childcare*  
10 *facilities standards discussed below:*

11 *—Library Resources: New residents in Plan Area will generate a substantial new need for*  
12 *library services. The San Francisco Public Library does not anticipate adequate demand for a new*  
13 *branch library in the Market and Octavia Plan Area at this time. However, the increase in population*  
14 *in Plan Area will create additional demand at other libraries, primarily the Main Library and the*  
15 *Eureka Valley Branch Library. The Market and Octavia Community Infrastructure Impact Fee includes*  
16 *funding for library services equal to \$69.00 per new resident, which is consistent with the service*  
17 *standards used by the San Francisco Public Library for allocating resources to neighborhood branch*  
18 *libraries. Child Care Facilities: New households in the Plan Area will generate a need for additional*  
19 *childcare facilities. Childcare services are integral to the financial and social success of families.*  
20 *Nationwide, research and policies are strengthening the link between childcare and residential growth,*  
21 *many Bay Area counties are leading in efforts to finance new childcare through new development. San*  
22 *Mateo has conducted detailed research linking housing to childcare needs. Santa Clara County has*  
23 *developed exemplary projects that provide childcare facilities in proximity to transit stations, and*  
24 *Santa Cruz has levied a fee on residential development to fund childcare. Similarly many research*  
25 *efforts have illustrated that adequate childcare services are crucial in supporting a healthy local*



1 *economy, see research conducted by Louise Stoney, Mildred Warner, PPIC, County of San Mateo, CA*  
2 *on file with the Clerk of the Board. MOCD's Project Connect Report identified childcare as an*  
3 *important community service in neighboring communities. Project connect did not survey the entire*  
4 *Market and Octavia Plan Area, it focused on low income communities, including Market and Octavia's*  
5 *neighbors in the Mission, Western Addition, and the Tenderloin. The Department of Children Youth*  
6 *and Their Families projects new residents of Market and Octavia will generate demand for an*  
7 *additional 435 childcare spaces, of those 287 will be serviced through new child care development*  
8 *centers.*

9 *—D.— Programmed Improvements and Costs. Community improvements to mitigate the impact*  
10 *of new development in the Market and Octavia Plan Area were identified through a community*  
11 *planning process, based on proposals in the Market and Octavia Area Plan on file with the Clerk of the*  
12 *Board in File No. 07H58, and on a standards based analysis, and on community input during the Plan*  
13 *adoption process. The Planning Department developed cost estimates to the extent possible for all*  
14 *proposed improvements. These are summarized by use type in Table 1. Cost projections in Table 1 are*  
15 *realistic estimates made by the Planning Department of the actual costs for improvements needed to*  
16 *support new development. More information on these cost estimates is located in the Market and*  
17 *Octavia Community Improvements Program Document. Cost estimates for some items on Table 1 are*  
18 *to be determined through ongoing analyses conducted in coordination with implementation of the*  
19 *Market and Octavia Plan Community Improvements Program. In many cases these projects require*  
20 *further design work, engineering, and environmental review, which may alter the nature of the*  
21 *improvements; the cost estimates are still reasonable approximates for the eventual cost of providing*  
22 *necessary community improvements to respond to identified community needs. The Board of*  
23 *Supervisors is not committing to the implementation of any particular project at this time. Projects may*  
24 *be substituted for like projects should new information from the Citizens Advisory Committee, the*  
25 *Interagency Plan Implementation Committee, other stakeholders, or the environmental review process*

1 *illustrate that substitute projects should be prioritized. Cost projections will be updated at a minimum*  
 2 *approximately every five years after adoption.*

3 *Table 1.*

4 *Cost of proposed community improvements in the Market and Octavia Plan Area.*

5

6 *Market and Octavia Community Improvements*

7 <i>Greening</i>	<i>\$58,310,000</i>
8 <i>Parks</i>	<i>\$6,850,000</i>
9 <i>Park Improvements</i>	<i>\$ TBD</i>
10 <i>Vehicle</i>	<i>\$49,260,000</i>
11 <i>Pedestrian</i>	<i>\$23,760,000</i>
12 <i>Transportation</i>	<i>\$81,180,000</i>
13 <i>Transit User</i>	<i>\$ TBD</i>
14 <i>Infrastructure</i>	
15 <i>Bicycle</i>	<i>\$1,580,000</i>
16 <i>Childcare</i>	<i>\$17,170,000</i>
17 <i>Library Materials</i>	<i>\$690,000</i>
18 <i>Recreational Facilities</i>	<i>\$15,060,000</i>
19 <i>Future Studies</i>	<i>\$460,000</i>
20 <i>Program Administration</i>	<i>\$4,730,000</i>
21 <i>Total</i>	<i>\$258,900,000</i>

22

23 *Provision of affordable housing needs are addressed in Sections 413 and 415 of this Code.*  
 24 *Additionally subsidized affordable housing may be granted a waiver from the Market and Octavia*  
 25 *Community Improvement Fee as provided for in Section 406 of this Article. This waiver may be*

1 ~~leveraged as a local funding 'match' to Federal and State affordable housing subsidies enabling~~  
2 ~~affordable housing developers to capture greater subsidies for projects in the Plan Area.~~

3 ~~—E.— Sharing the Burden. As detailed above, new development in the Plan Area will clearly~~  
4 ~~generate new infrastructure demands.~~

5 ~~—To fund such community infrastructure and amenities, new development in the district shall~~  
6 ~~be assessed development impact fees proportionate to the increased demand for such infrastructure and~~  
7 ~~amenities. The City will use the proceeds of the fee to build new infrastructure and enhance existing~~  
8 ~~infrastructure, as described in preceding sections. A Community Infrastructure Impact Fee shall be~~  
9 ~~established for the Van Ness and Market Downtown Residential Special Use District (VNMDR-SUD),~~  
10 ~~and the Neighborhood Commercial Transit (NCT) and the Upper Market Neighborhood Commercial~~  
11 ~~District and Residential Transit Oriented (RTO) Districts as set forth herein.~~

12 ~~—Many counties, cities and towns have one standardized impact fee schedule that covers the~~  
13 ~~entire municipality. Although this type of impact fee structure works well for some types of~~  
14 ~~infrastructure, such as affordable housing and basic transportation needs, it cannot account for the~~  
15 ~~specific improvements needed in a neighborhood to accommodate specific growth. A localized impact~~  
16 ~~fee gives currency to the community planning process and encourages a strong nexus between~~  
17 ~~development and infrastructure improvements.~~

18 ~~—Development impact fees are an effective approach to achieve neighborhood mitigations~~  
19 ~~and associate the costs with new residents, workers, and a new kind of development. The proposed~~  
20 ~~Market and Octavia Community Infrastructure Impact Fee would be dedicated to infrastructure~~  
21 ~~improvements in the Plan Area and the Upper Market NCD, directing benefits of the fund clearly to~~  
22 ~~those who pay into the fund, by providing necessary infrastructure improvements, needed to serve new~~  
23 ~~development. The net increases in individual property values in these areas due to the enhanced~~  
24 ~~neighborhood amenities financed with the proceeds of the fee are expected to exceed the payments of~~  
25 ~~fees by project sponsors.~~

1           —~~The fee rate has been calculated by the Planning Department based on accepted~~  
2 ~~professional methods for the calculation of such fees. The Market and Octavia Community~~  
3 ~~Improvements Program Document contains a full discussion of impact fee calculation. Cost estimates~~  
4 ~~are based on an assessment of the potential cost to the City of providing the specific improvements~~  
5 ~~described in the Market and Octavia Plan Area. The Department assigned a weighted value to new~~  
6 ~~construction based on projected population increases in relation to the total population.~~

7           —~~The proposed fee would cover less than 80% of the estimated costs of the community~~  
8 ~~improvements calculated as necessary to mitigate the impacts of new development. By charging~~  
9 ~~developers less than the maximum amount of the justified impact fee, the City avoids any need to refund~~  
10 ~~money to developers if the fees collected exceed costs. The proposed fees only cover impacts caused by~~  
11 ~~new development and are not intended to remedy existing deficiencies; those costs will be paid for by~~  
12 ~~public, community, and other private sources.~~

13           —~~The Market and Octavia community improvements program relies on public, private, and~~  
14 ~~community capital. Since 2000, when the Market and Octavia planning process was initiated, the area~~  
15 ~~has seen upwards of \$100 million in public investment, including the development of Octavia~~  
16 ~~Boulevard, the new Central freeway ramp, Patricia's Green in Hayes Valley and related projects.~~  
17 ~~Additionally private entities have invested in the area by improving private property and creating new~~  
18 ~~commercial establishments. Community members have invested by creating a Community Benefits~~  
19 ~~District in the adjacent Castro neighborhood, organizing design competitions, and lobbying for~~  
20 ~~community programming such as a rotating arts program on Patricia's Green in Hayes Valley. Project~~  
21 ~~sponsor contributions to the Market and Octavia Community Improvements Fund will help leverage~~  
22 ~~additional public and community investment.~~

23           —~~As a result of this new development, projected to occur over a 20-year period, property tax~~  
24 ~~revenue is projected to increase by as much as \$28 million annually when projected housing~~  
25 ~~production is complete. Sixteen million dollars of this new revenue will be diverted directly to San~~

1 ~~Francisco (see the Market and Octavia Community Improvements Program Document for a complete~~  
2 ~~discussion of increased property tax revenue). These revenues will fund improvements and expansions~~  
3 ~~to general City services, including police, fire, emergency, and other services needed to partially meet~~  
4 ~~increased demand associated with new development. New development's local impact on community~~  
5 ~~infrastructure will be greater in the Market and Octavia Plan Area, relative to those typically funded by~~  
6 ~~City government through property tax revenues. Increased property taxes will contribute to continued~~  
7 ~~maintenance and service delivery of new infrastructure and amenities. The City should pursue State~~  
8 ~~enabling legislation that directs growth related increases in property tax directly to the neighborhood~~  
9 ~~where growth is happening, similar to the redevelopment agencies' Tax Increment Financing tool. If~~  
10 ~~such a revenue dedication tool does become available, the Planning Department should pursue an~~  
11 ~~ordinance to adopt and apply a tax increment district to the Market and Octavia Plan Area even if the~~  
12 ~~Plan is already adopted by the Board of Supervisors and in effect. The relative cost of capital~~  
13 ~~improvements, along with the reduced role of State and Federal funding sources, increases the~~  
14 ~~necessity for development impact fees to cover these costs. Residential and commercial impact fees are~~  
15 ~~one of the many revenue sources necessary to mitigate the impacts of new development in the Market~~  
16 ~~and Octavia Plan Area.~~

17

18 **SEC. 421.3. APPLICATION OF MARKET AND OCTAVIA COMMUNITY**

19 **IMPROVEMENTS IMPACT FEE**

20 \* \* \* \*

21 (f) Timing of Fee Payments. The Market and Octavia Community Improvements  
22 Impact Fee is due and payable to the Development Fee Collection Unit at DBI ~~prior to~~ at the  
23 time of and in no event later than issuance of the first construction document, with an option for  
24 the project sponsor to defer payment to prior to issuance of the first certificate of occupancy

25

1 upon agreeing to pay a deferral surcharge that would be paid into the appropriate fund in  
2 accordance with Section 107A.13.3 of the San Francisco Building Code.

3 \* \* \* \*

4  
5 **SEC. 421.5. MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.**

6 (a) **Purpose.** There is hereby established a separate fund set aside for a special  
7 purpose entitled the Market and Octavia Community Improvements Fund ("Fund"). All monies  
8 collected by DBI pursuant to Section 421.3 (b) shall be deposited in ~~a the special F~~fund  
9 maintained by the Controller. ~~The receipts in the Fund to be used solely to fund community~~  
10 ~~improvements subject to the conditions of this Section. The receipts in the Fund shall be appropriated~~  
11 ~~in accordance with law through the normal budgetary process to fund public infrastructure and other~~  
12 ~~allowable improvements subject to the conditions of this Section.~~

13 (b) **Use of Funds.** The Fund shall be administered by the Board of Supervisors.

14 (1) **Infrastructure.** All monies deposited in the Fund shall be used to design,  
15 engineer, acquire, improve, and develop and improve neighborhood open spaces, pedestrian  
16 and streetscape improvements, bicycle infrastructure, ~~community facilities,~~ child-care facilities,  
17 and other improvements that result in new publicly-accessible facilities and related resources  
18 within the Market and Octavia Plan Area or within 250 feet of the Plan Area and within the  
19 Upper Market Street Neighborhood Commercial District which is outside the plan area. Funds  
20 may be used for childcare facilities that are not publicly owned or publicly-accessible. The  
21 improvements, where applicable, shall be consistent with the Market and Octavia Civic Streets and  
22 Open Space System as described in Map 4 of the Market and Octavia Area Plan of the General Plan,  
23 and Market and Octavia Improvements Plan. The funds shall be allocated in accordance with Table  
24 421.5A.  
25

1 **Table 421.5A. Breakdown of Use of Market and Octavia Community Improvements**

2 **Fee by Infrastructure Type.**

<u>Improvement Type</u>	<u>Dollars Received From Residential Development</u>	<u>Dollars Received From Non-Residential</u>
<u>Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities</u>	<u>44%</u>	<u>61%</u>
<u>Transit</u>	<u>22%</u>	<u>20%</u>
<u>Recreation and Open Space</u>	<u>21%</u>	<u>14%</u>
<u>Childcare</u>	<u>8%</u>	<u>Not applicable</u>
<u>Program Administration</u>	<u>5%</u>	<u>5%</u>

<i>Components of Proposed Impact Fee</i>	<i>Residential</i>	<i>Commercial</i>
--	--------------------	-------------------

<i>Greening</i>	<i>34.1%</i>	<i>50.2%</i>
<i>Parks</i>	<i>8.2%</i>	<i>13.8%</i>
<i>Park Improvements</i>	<i>tbd</i>	<i>tbd</i>
<i>Vehicle</i>	<i>0.4%</i>	<i>0.4%</i>
<i>Pedestrian</i>	<i>6.9%</i>	<i>6.2%</i>
<i>Transportation</i>	<i>22.2%</i>	<i>20.1%</i>
<i>Transit User Infrastructure</i>	<i>tbd</i>	<i>tbd</i>

<i>Bicycle</i>	<i>0.5%</i>	<i>0.4%</i>
<i>Childcare</i>	<i>8.3%</i>	<i>0.0%</i>
<i>Library Materials</i>	<i>0.9%</i>	<i>0.0%</i>
<i>Recreational Facilities</i>	<i>13.1%</i>	<i>0.0%</i>
<i>Future Studies</i>	<i>0.2%</i>	<i>.4%</i>
<i>Program Administration</i>	<i>5.1%</i>	<i>8.6%</i>

*Funds may be used for childcare facilities that are not publicly owned or "publicly accessible". Funds generated for 'library resources' should be used for materials at the Main Library, the Eureka Valley Library, or other library facilities that directly service Market and Octavia Residents. Funds may be used for additional studies and fund administration as detailed in the Market and Octavia Community Improvements Program Document. These improvements shall be consistent with the Market and Octavia Civic Streets and Open Space System as described in Map 4 of the Market and Octavia Area Plan of the General Plan, and any Market and Octavia Improvements Plan. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee pursuant to Section 421.3(c) above, to complete an updated nexus study to demonstrate the relationship between development and the need for public facilities if this is deemed necessary.*

(2) **Program Administration.** No portion of the Fund may be used, by way of loan or otherwise, to pay any administrative, general overhead, or similar expense of any public entity, except for the purposes of administering this fund *in an amount not to exceed 5 % of the total annual revenue.* Administration of this fund includes time and materials associated with *processing and approving fee payments and expenditures from the Fund (including necessary hearings), reporting or informational requests related to the Fund, and coordination between public*



1 agencies regarding determining and evaluating appropriate expenditures of the Fund~~reporting~~  
2 ~~requirements, facilitating the Market and Octavia Citizens Advisory Committee meetings, and~~  
3 ~~maintenance of the fund. Total expenses associated with administration of the fund shall not exceed the~~  
4 ~~proportion calculated in Table 2 (above). Monies from the Fund may be used by the Planning~~  
5 ~~Commission to commission economic analyses for the purpose of revising the fee or to complete an~~  
6 ~~updated nexus study to demonstrate the relationship between development and the need for public~~  
7 ~~facilities if this is deemed necessary.~~ All interest earned on this account shall be credited to the  
8 Market and Octavia Community Improvements Fund.

9 (c) ~~With full participation by the Planning Department and related implementing agencies the~~  
10 ~~Controller's Office shall file a report with the Board of Supervisors in even-numbered years, which~~  
11 ~~report shall include the following elements: (1) a description of the type of fee in each account or fund;~~  
12 ~~(2) amount of the fee; (3) beginning and ending balance of the accounts or funds including any bond~~  
13 ~~funds held by an outside trustee; (4) amount of fees collected and interest earned; (5) identification of~~  
14 ~~each public improvement on which fees or bond funds were expended and amount of each expenditure;~~  
15 ~~(6) an identification of the approximate date by which the construction of public improvements will~~  
16 ~~commence; (7) a description of any inter-fund transfer or loan and the public improvement on which~~  
17 ~~the transferred funds will be expended; and (8) allocations of unexpended fees that are not refunded.~~

18 (d) Acquisition of New Open Space. A public hearing shall be held by the Recreation and  
19 Parks Commission to elicit public comment on proposals for the acquisition of property using  
20 monies in the Fund in the Fund or through agreements for financing In-Kind Community  
21 Improvements via a Mello-Roos Community Facilities District that will ultimately be maintained  
22 by the Department of Recreation and Parks. Notice of public hearings shall be published in an  
23 official newspaper at least 20 days prior to the date of the hearing, which notice shall set forth  
24 the time, place, and purpose of the hearing. The Parks Commission may vote to recommend  
25

1 to the Board of Supervisors that it appropriate money from the Fund for acquisition of property  
2 for park use and for development of property acquired for park use.

3 (de) The Planning Commission shall work with other City agencies and commissions,  
4 specifically the Department of Recreation and Parks, DPW, and the ~~Metropolitan~~ San Francisco  
5 Municipal Transportation Agency, to develop a proposed expenditure plan, and to develop  
6 agreements related to the administration of the improvements to existing and development of  
7 new public facilities within public rights-of-way or on any acquired property designed for park  
8 use, ~~using such monies as have been allocated for that purpose at a hearing of the Board of~~  
9 ~~Supervisors.~~ The proposed expenditure plan shall be approved by the Board of Supervisors.

10 (ef) The Director of Planning shall have the authority to prescribe rules and  
11 regulations governing the Fund, which are consistent with this Section 421.1 et seq. The  
12 Director of Planning, as the head of the Interagency Plan Implementation Committee (IPIC), shall  
13 make recommendations to the Board regarding allocation of funds.

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

17 (a) **Purpose.** ~~A. New Residential and Non-Residential Uses. The Board takes legislative~~  
18 ~~notice of the purpose of the Balboa Park Station Area Plan as articulated in the Balboa Park Station~~  
19 ~~Area Plan of the San Francisco General Plan.~~ The Balboa Park Station Area Plan is a part of the  
20 Better Neighborhoods Program that recognizes population growth is beneficial in  
21 neighborhoods well-served by transit. As such, the Balboa Park Area Plan aims to strengthen  
22 neighborhood character, the neighborhood commercial district, and transit by increasing the  
23 housing and retail capacity in the area. This project goal will also help to meet ABAG's  
24 projected demand to provide housing in the Bay Area by encouraging the construction of  
25 higher density housing. The Balboa Park Plan Area can better accommodate this growth

1 because of its easy access to public transit, proximity to downtown, convenience of  
2 neighborhood shops to meet daily needs, and the availability of development opportunity  
3 sites. San Francisco's land constraints limit new housing construction to areas of the City not  
4 previously designated as residential areas, infill sites, or areas that can absorb increased  
5 density. The Balboa Park Plan Area presents an opportunity to both absorb increased density  
6 and provide infill development within easy walking distance to transit while maintaining  
7 neighborhood character. ~~The Better Neighborhoods Program also calls for strong neighborhood~~  
8 ~~commercial cores and a transit-oriented neighborhood requires a full range of neighborhood serving~~  
9 ~~businesses.~~ The Plan builds on existing neighborhood character and establishes new standards  
10 for amenities necessary for a transit-oriented neighborhood.

11 In addition, the Board takes legislative notice of the findings made in the Balboa Park Station  
12 Area Plan that support the establishment of the Balboa Park Community Improvements Fund.

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

21 The Board takes legislative notice of the findings supporting these fees in former Planning Code  
22 Section 422.1 (formerly Section 331 et seq.) and the materials associated with Ordinance No. 61-09 in  
23 Board File No. 090181 and the Balboa Park Community Improvements Program, on file with the Clerk  
24 of the Board in File No. 090179. To the extent that the Board previously adopted fees in this Area Plan  
25 that are not covered in the analysis of the four infrastructure areas analyzed in the Nexus Analysis,

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

3 ~~—B.— Need for Public Improvements to Accompany New Uses. The amendments to the General~~  
4 ~~Plan, Planning Code, and Zoning Maps that correspond to Section 422.1 et seq. will permit an~~  
5 ~~increased amount of new housing and other uses, as noted above. The Planning Department anticipates~~  
6 ~~an increase of at least 1,780 new housing units within the next 20 years, and over 225 new jobs, as~~  
7 ~~described in the Balboa Park Station Area Plan Draft Environmental Impact Report and the~~  
8 ~~Community Improvements Program. This new development will have an impact on the Plan Area's~~  
9 ~~neighborhood infrastructure. New development will generate needs for street improvements, transit~~  
10 ~~improvements, and community facilities and services improvements. As described in the Balboa Park~~  
11 ~~Community Improvements Program, on file with the Clerk of the Board in File No. 090179. The Balboa~~  
12 ~~Park Station Area Plan addresses existing deficiencies and new impacts through a comprehensive~~  
13 ~~package of public benefits described in the Balboa Park Community Improvements Program. This~~  
14 ~~Program will enable the City and County of San Francisco to provide necessary public infrastructure~~  
15 ~~to new residents while increasing neighborhood livability and investment in the district.~~

16 ~~—C.— Project Feasibility. Due to the high cost of land within the City, it has been determined~~  
17 ~~that the imposition of requirements and fees based on the full impact of new development would be~~  
18 ~~overly burdensome to new development and hinder the City's policy goal of providing a significant~~  
19 ~~amount of new housing. Therefore, impact fees have been set at a level that will not hinder this policy~~  
20 ~~goal overall.~~

21 ~~—D.— Programmed Improvements. General public improvements and amenities needed to meet~~  
22 ~~the needs of both existing residents, as well as those needs generated by new development, have been~~  
23 ~~identified through a community planning processes. The Planning Department developed generalized~~  
24 ~~cost estimates, based on similar project types implemented by the City in the relevant time period, to~~  
25 ~~provide reasonable approximates for the eventual cost of providing necessary community~~

1 ~~improvements to respond to identified community needs. In some cases, design work, engineering, and~~  
2 ~~environmental review will be required and may alter the nature of the improvements, as well as the sum~~  
3 ~~total of the cost for these improvements.~~

4 ~~—E.— Balboa Park Impact Fee. Development impact fees are an effective approach to mitigate~~  
5 ~~impacts associated with growth in population. The proposed Balboa Park Impact Fee would be~~  
6 ~~dedicated to community improvements in the Plan Area; directing benefits of the fund to those who pay~~  
7 ~~into the fund by providing the necessary infrastructure improvements needed to serve new development.~~  
8 ~~The Planning Department has calculated the fee rate based on accepted professional methods for the~~  
9 ~~calculation of such fees, and described fully in the Balboa Park Community Improvements Program,~~  
10 ~~San Francisco Planning Department, Case No. 2004.1059U on file with the Clerk of the Board in File~~  
11 ~~No. 090179.~~

12 ~~—The proposed fee would cover less than the full impact of new development. The proposed~~  
13 ~~fee only covers a portion of impacts caused by new development and is not intended to remedy existing~~  
14 ~~deficiencies. Existing deficiency costs will be paid for by the public, the community, and other private~~  
15 ~~sources as described in the Balboa Park Community Improvements Program. Residential and non-~~  
16 ~~residential impact fees are only one of many revenue sources necessary to implement the community~~  
17 ~~improvements outlined in the Plan.~~

18  
19 **SEC. 422.3. APPLICATION OF COMMUNITY IMPROVEMENT IMPACT FEE.**

20 \* \* \* \*

21 (e) **Timing of Fee Payments.** The Balboa Park Impact Fee is due and payable to the  
22 Development Fee Collection Unit at DBI ~~prior to~~ at the time of and in no event later than issuance  
23 of the first construction document for the development project deferred to prior to issuance of  
24 the first certificate of occupancy pursuant to Section 107A.13.3.1 of the San Francisco  
25 Building Code.

\* \* \* \*

**SEC. 422.5. BALBOA PARK COMMUNITY IMPROVEMENTS FUND.**

(a) Purpose. There is hereby established a separate fund set aside for a special purpose entitled the Balboa Park Community Improvements Fund ("Fund"). All monies collected by the Development Fee Collection Unit at DBI pursuant to Section 422.3 shall be deposited in ~~a special~~the Ffund maintained by the Controller. The receipts in the Fund shall be appropriated in accordance with law through the normal budgetary process to be used solely to fund public infrastructure and other allowable improvements ~~community improvements~~ subject to the conditions of this Section.

(b) Use of Funds ~~Expenditures from the Fund shall be recommended by the Planning Commission and The Fund shall be administered by the Board of Supervisors.~~

(1) Community Improvements. All monies deposited in the Fund shall be used to design, engineer, acquire, and develop and ~~improve streets~~pedestrian and streetscape improvements, bicycle infrastructure, transit, parks, plazas and open space, ~~and community facilities and services~~ as defined in the Balboa Park Community Improvements Program with the Plan Area. Funds may be used for child-care facilities that are not publicly owned or "publicly-accessible." The Fund shall be allocated in accordance with Table 422.5 ~~Monies from the Fund may be used by the Commission to commission economic analyses for the purpose of revising the fee pursuant to Section 422.3 above.~~

Table 422.5

**BREAKDOWN OF USE OF BALBOA PARK COMMUNITY IMPROVEMENTS**

**FEE/FUND BY IMPROVEMENT TYPE**

<u>Improvement Type</u>	<u>Dollars Received From Residential Development</u>	<u>Dollars Received From Commercial</u>

		<u><b>Development</b></u>
<u>Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Improvements</u>	<u>38%</u>	<u>38%</u>
<u>Transit</u>	<u>12%</u>	<u>12%</u>
<u>Recreation and Open Space</u>	<u>30%</u>	<u>30%</u>
<u>Childcare</u>	<u>15%</u>	<u>15%</u>
<u>Program Administration</u>	<u>5%</u>	<u>5%</u>

(2) **Program Administration.** ~~Funds may be used for administration and accounting of fund assets and for fees related to legal challenges related to such fees. Administration of this fund includes time and materials associated with reporting requirements and maintenance of the fund. No portion of the Fund may be used, by way of loan or otherwise, to pay any administrative, general overhead, or similar expense of any public entity, except for the purposes of administering this fund in an amount not to exceed 5% of the total annual revenue. Administration of this fund includes maintenance of the fund, time and materials associated with processing and approving fee payments and expenditures from the Fund (including necessary hearings), reporting or informational requests related to the Fund, and coordination between public agencies regarding determining and evaluation appropriate expenditures of the Fund. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee, or to complete an updated nexus study to demonstrate the relationship between development and the need for public facilities if this is deemed necessary.~~ All interest earned on this account shall be credited to the Balboa Park Community Improvements Fund.

~~—(c) Funds shall be deposited into specific accounts according to the improvement type for which they were collected. Funds from a specific account may be assigned to a different improvement~~

1 ~~type, provided said account or fund is reimbursed over a five-year period of fee collection. Funds shall~~  
 2 ~~be allocated to accounts by improvement type as described below in Table 422.1 and as supported by~~  
 3 ~~the Balboa Park Community Improvements Program Nexus Study, San Francisco Planning~~  
 4 ~~Department, Case No. 2004.1059U, monitored according to the Balboa Park Monitoring Program~~  
 5 ~~described in Administrative Code Chapter 10.~~

6 *TABLE 422.1*  
 7 *BREAKDOWN OF BALBOA PARK COMMUNITY IMPROVEMENTS FEE/FUND BY*  
 8 *IMPROVEMENT TYPE*

<i>Improvement Type</i>	<i>Fee Allocation %</i>
<i>Streets</i>	<i>38%</i>
<i>Transit</i>	<i>13%</i>
<i>Parks, Plazas, Open Space</i>	<i>30%</i>
<i>Community facilities and services/Other</i>	<i>19%</i>

17 ~~(d) With full participation by the Department and related implementing agencies, the~~  
 18 ~~Controller's Office shall file a report with the Board of Supervisors in even numbered years, which~~  
 19 ~~report shall include the following elements: (1) a description of the type of fee in each account or fund;~~  
 20 ~~(2) beginning and ending balance of the accounts or funds including any bond funds held by an outside~~  
 21 ~~trustee; (3) amount of fees collected and interest earned; (4) identification of each public improvement~~  
 22 ~~on which fees or bond funds were expended and amount of each expenditure; (5) an identification of~~  
 23 ~~the approximate date by which the construction of public improvements will commence; (6) a~~  
 24 ~~description of any inter fund transfer or loan and the public improvement on which the transferred~~



1 *funds will be expended; and (7) amount of refunds made and any allocations of unexpended fees that*  
2 *are not refunded.*

3 (ed) Acquisition of New Open Space. A public hearing shall be held by the Recreation  
4 and Parks Commission to elicit public comment on proposals for the acquisition of property  
5 using monies in the Fund that will ultimately be maintained by the Department of Recreation  
6 and Parks. Notice of public hearings shall be published in an official newspaper at least 20  
7 days prior to the date of the hearing, which notice shall set forth the time, place, and purpose  
8 of the hearing. The Parks Commission may vote to recommend to the Board of Supervisors  
9 that it appropriate money from the Fund for acquisition and development of property acquired  
10 for park use.

11 (ef) The Planning Department shall work with other City agencies and commissions ~~The~~  
12 ~~Commission shall work with other City agencies and commissions~~, specifically the Department of  
13 Recreation and Parks, DPW and MTA, to develop a proposed expenditure plan and to develop  
14 agreements related to the administration of the improvements to existing public facilities and  
15 development of new public facilities within public rights-of-way or on any acquired public  
16 property. The proposed expenditure plan shall be approved by the Board of Supervisors ~~using such~~  
17 ~~monies as have been allocated for that purpose at a hearing of the Board of Supervisors.~~

18 (fg) The Director of Planning shall have the authority to prescribe rules and regulations  
19 governing the Fund, which are consistent with this Section 422 et seq. The Director of Planning, as the  
20 head of The Planning Commission, based on findings from the Inter-Agency Plan Implementation  
21 Committee (IPIC), shall make recommendations to the Board regarding allocation of funds.

22  
23 **SEC. 423.1. PURPOSE AND FINDINGS SUPPORTING EASTERN NEIGHBORHOODS**  
24 **IMPACT FEES AND COMMUNITY IMPROVEMENTS FUND.**  
25

1 (a) Purpose. ~~(1) New Housing and Other Land Uses. San Francisco is experiencing a~~  
2 ~~severe shortage of housing available to people at all income levels. In addition, San Francisco has an~~  
3 ~~ongoing affordable housing crisis. Many future San Francisco workers will be earning below 80% of~~  
4 ~~the area's median income, and even those earning moderate or middle incomes, above the City's~~  
5 ~~median, are likely to need assistance to continue to live in San Francisco. In 2007, the median income~~  
6 ~~for a family of four in the city was about \$86,000. Yet median home prices suggest that nearly twice~~  
7 ~~that income is needed to be able to a dwelling suitable for a family that size. Only an estimated 10% of~~  
8 ~~households in the City can afford a median-priced home.~~

9 — ~~(2) The Association of Bay Area Governments' (ABAG) Regional Housing Needs~~  
10 ~~Determination (RHND) forecasts that San Francisco must produce over 31,000 new units in the next~~  
11 ~~five years, or over 6,000 new units of housing annually, to meet projected needs. At least 60%, or over~~  
12 ~~18,000, of these new units should be available to households of very low, low, and moderate incomes.~~  
13 ~~With land in short supply in the City, it is increasingly clear that the City's formerly industrial areas~~  
14 ~~offer a critical source of land where this great need for housing, particularly affordable housing, can~~  
15 ~~be partially addressed.~~

16 — ~~(3) The Board takes legislative notice of the purpose of the Eastern Neighborhoods Area~~  
17 ~~Plan as articulated in the Eastern Neighborhoods Area Plan of the San Francisco General Plan. San~~  
18 ~~Francisco's Housing Element establishes the Eastern Neighborhoods as a target area for~~  
19 ~~development of new housing to meet San Francisco's identified housing targets. The release~~  
20 ~~of some of the area's formerly industrial lands, no longer needed to meet current industrial or~~  
21 ~~PDR needs, offer an opportunity to achieve higher affordability, and meet a greater range of~~  
22 ~~need. The Mission, Showplace Square - Potrero Hill, East SoMa, Western SoMa and Central~~  
23 ~~Waterfront Area Plans of the General Plan (Eastern Neighborhoods Plans) thereby call for~~  
24 ~~creation of new zoning intended specifically to meet San Francisco's housing needs, through~~  
25 ~~higher affordability requirements and through greater flexibility in the way those requirements~~

1 can be met, as described in Section 419. To support this new housing, other land uses,  
2 including PDR businesses, retail, office and other workplace uses will also grow in the Eastern  
3 Neighborhoods.

4 ~~(b) (1) Need for Public Improvements to Accompany New Uses. The amendments to the~~  
5 ~~General Plan, Planning Code, and Zoning Maps that correspond to Section 423.1 et seq. will permit an~~  
6 ~~increased amount of new housing and other uses, as noted above. The Planning Department anticipates~~  
7 ~~an increase of at least 7,365 new housing units within the next 20 years, and over 13,000 new jobs, as~~  
8 ~~estimated under Option B of the Eastern Neighborhoods Draft Environmental Impact Report. This~~  
9 new development will have an extraordinary impact on the Plan Area's already deficient  
10 neighborhood infrastructure. New development will generate needs for a significant amount of  
11 public open space and recreational facilities; transit and transportation, including streetscape  
12 and public realm improvements; community facilities and services, including ~~library materials~~  
13 ~~and~~ child-care; and other amenities, as described in the Eastern Neighborhoods Community  
14 Improvements Public Benefits Program, on file with the Clerk of the Board in File No. 081155.

15 ~~—(2) The Eastern Neighborhoods Area Plans addresses existing deficiencies and new~~  
16 ~~impacts, through a comprehensive package of public benefits described in the Eastern Neighborhoods~~  
17 ~~Public Benefits Program. This Program will enable the City and County of San Francisco to provide~~  
18 ~~necessary public infrastructure to new residents while increasing neighborhood livability and~~  
19 ~~investment in the district.~~

20 ~~—(c) (1) Requirements for New Development To Contribute Towards Plan Objectives.~~ A key  
21 policy goal of the Eastern Neighborhoods Plans is to provide a significant amount of new  
22 housing affordable to low, moderate and middle income families and individuals, along with  
23 "complete neighborhoods" that provide appropriate amenities for these new residents. The  
24 Plans obligate all new development within the Eastern Neighborhoods to contribute towards  
25

1 these goals, by providing a contribution towards affordable housing needs and by paying an  
2 Eastern Neighborhoods Impact Fee.

3 (b) Findings. The Board of Supervisors has reviewed the San Francisco Citywide Nexus  
4 Analysis prepared by AECOM dated March 2014 (“Nexus Analysis”), and the San Francisco  
5 Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the  
6 Clerk of the Board in File No. 150149 and, under Section 401A, adopts the findings and conclusions of  
7 those studies and the general and specific findings in that Section, specifically including the Recreation  
8 and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, and Bicycle  
9 Infrastructure Findings and incorporates those by reference herein to support the imposition of the fees  
10 under this Section.

11 The Board takes legislative notice of the findings supporting these fees in former Planning Code  
12 Section 423.1 (formerly Section 327 et seq.) and the materials associated with Ordinance No. 298-08 in  
13 Board File No. 081153. To the extent that the Board previously adopted fees in this Area Plan that are  
14 not covered in the analysis of the four infrastructure areas analyzed in the Nexus Analysis, including  
15 but not limited to fees related to transit, the Board continues to rely on its prior analysis and the  
16 findings it made in support of those fees. —(2) However, due to the high cost of land within the City,  
17 it has been determined that the imposition of requirements and fees based on the full impact of new  
18 development would be overly burdensome to new development, and hinder the City's policy goal of  
19 providing a significant amount of new housing. Therefore, fee rates have been set at a level that will  
20 not hinder this policy goal overall. The Plans structure requirements and fees by tiers to ensure  
21 feasibility.

22 —(d) Programmed Improvements. General public improvements and amenities needed to meet  
23 the needs of both existing residents, as well as those needs generated by new development, have been  
24 identified through the community planning processes of the Area Plans. In the Mission, Showplace  
25 Square, Potrero Hill, Eastern SoMa and Central Waterfront Areas, these general public improvements

1 ~~and amenities were based on the standards-based analysis contained in the Eastern Neighborhoods~~  
2 ~~Needs Assessment, San Francisco Planning Department, Case No. 2004.0160UU on file with the Clerk~~  
3 ~~of the Board in File No. 081155, and on community input during the Plan adoption process. The~~  
4 ~~Planning Department developed generalized cost estimates, based on similar project types~~  
5 ~~implemented by the City in the relevant time period, to provide reasonable approximates for the~~  
6 ~~eventual cost of providing necessary Public Benefits in the Plan Areas (information on these cost~~  
7 ~~estimates is located in the Eastern Neighborhoods and Western SoMa Public Benefits Program~~  
8 ~~Documents). However specific public improvements are still under development and will be further~~  
9 ~~clarified through interdepartmental efforts with input from the Interagency Plan Implementation~~  
10 ~~Committee, the Citizens Advisory Committee, and other stakeholders. Specific project identification,~~  
11 ~~design work, engineering, and environmental review will still be required and may alter the nature of~~  
12 ~~the improvements, as well as the sum total of the cost for these improvements.~~

13 ~~—(e) (1) Eastern Neighborhoods Impact Fee. Development impact fees are an effective~~  
14 ~~approach to mitigate impacts associated with growth in population. The proposed Eastern~~  
15 ~~Neighborhoods Impact Fee would be dedicated to infrastructure improvements in the Plan Area,~~  
16 ~~directing benefits of the fund clearly to those who pay into the fund, by providing necessary~~  
17 ~~infrastructure improvements and housing needed to serve new development. The net increases in~~  
18 ~~individual property values in these areas due to the enhanced neighborhood amenities financed with~~  
19 ~~the proceeds of the fee are expected to exceed the payments of fees by project sponsors.~~

20 ~~—(2) The fee rate has been calculated by the Planning Department based on accepted~~  
21 ~~professional methods for the calculation of such fees, and described fully in the Eastern Neighborhoods~~  
22 ~~and Western SoMa Nexus Studies, San Francisco Planning Department, Case No. 2004.0160UU and~~  
23 ~~2008.0877 on file with the Clerk of the Board in File No. 081155 for the Mission, Showplace Square,~~  
24 ~~Potrero Hill, East SoMa and Central Waterfront Areas, and File No. 130002 for the Western SoMa~~

1 *Plan Area. The Eastern Neighborhoods and Western SoMa Public Benefits Program Document*  
2 *contains a full discussion of impact fee rationale.*

3 ~~— (3) The proposed fee would cover less than the full nexus as calculated by the Eastern~~  
4 ~~Neighborhoods Nexus Studies. The proposed fees only cover impacts caused by new development and~~  
5 ~~are not intended to remedy existing deficiencies. Those costs will be paid for by public, community, and~~  
6 ~~other private sources as described in the Eastern Neighborhoods Public Benefits Program. Residential~~  
7 ~~and non-residential impact fees are only one of many revenue sources necessary to create the~~  
8 ~~"complete neighborhoods" that will provide appropriate amenities for residents of the Eastern~~  
9 ~~Neighborhoods.~~

10  
11 **SEC. 423.3. APPLICATION OF EASTERN NEIGHBORHOODS INFRASTRUCTURE**  
12 **IMPACT FEE.**

13 \* \* \* \*

14 (e) Timing of Fee Payments. The Eastern Neighborhoods Infrastructure Impact Fee is  
15 due and payable to the Development Fee Collection Unit at DBI ~~prior to~~ at the time of and in no  
16 event later than issuance of the first construction document, with an option for the project  
17 sponsor to defer payment to prior to issuance of the first certificate of occupancy upon  
18 agreeing to pay a deferral surcharge that would be paid into the appropriate fund in  
19 accordance with Section 107A.13.3 of the San Francisco Building Code.

20 \* \* \* \*

21  
22 **SEC. 423.5. THE EASTERN NEIGHBORHOODS COMMUNITY IMPROVEMENTS**  
23 **PUBLIC BENEFITS FUND.**

24 (a) Purpose. There is hereby established a separate fund set aside for a special  
25 purpose entitled the Eastern Neighborhoods Community Improvements Public Benefits Fund

1 ("Fund"). All monies collected by the Development Fee Collection Unit at DBI pursuant to  
2 Section 423.3(e) shall be deposited in ~~a special~~ the Ffund maintained by the Controller. The  
3 receipts in the Fund shall be appropriated in accordance with the normal budgetary process ~~to be~~  
4 ~~used solely~~ to fund Community Improvements~~Public Benefits~~ subject to the conditions of this  
5 Section. Monies collected by the Development Fee Collection Unit at DBI pursuant to 423.3 shall be  
6 deposited as follows:

7 (1) For projects located in any zoning districts in the Eastern Neighborhoods  
8 Program Area, excluding Designated Affordable Housing Zones, DBI shall deposit 100% of the funds  
9 in the Eastern Neighborhoods Community Improvements Fund maintained by the Controller.

10 (2) For projects located in Designated Affordable Housing Zones, DBI shall deposit  
11 25% of the funds in the Eastern Neighborhoods Community Improvement Fund and 75% in the  
12 Citywide Affordable Housing Fund, but the funds shall be separately accounted for and expended as  
13 provided in this Section.

14 (b) Use of Funds. ~~The fund shall be~~ Expenditures from the Fund shall be recommended by  
15 ~~the Planning Commission, and~~ administered by the Board of Supervisors.

16 (1) All monies deposited in the Fund or credited against Fund obligations shall  
17 be used to design, engineer, acquire, improve, and develop ~~and improve~~ public open space and  
18 recreational facilities; transit, streetscape and public realm improvements; and ~~community~~  
19 ~~facilities including~~ childcare facilities. ~~and library materials, as defined in the Eastern Neighborhoods~~  
20 ~~and Western SoMa Nexus Studies; or housing preservation and development within the Eastern~~  
21 ~~Neighborhoods Plan Area.~~ Funds may be used for child-care facilities that are not publicly  
22 owned or "publicly-accessible." ~~Funds generated for 'library resources' should be used for materials~~  
23 ~~in branches that directly service Eastern Neighborhoods residents. Monies from the Fund may be used~~  
24 ~~by the Planning Commission to commission economic analyses for the purpose of revising the fee,~~

1 ~~and/or to complete an updated nexus study to demonstrate the relationship between development and~~  
 2 ~~the need for public facilities if this is deemed necessary.~~

3 \_\_\_\_\_ (A) Funds collected from all zoning districts in the Eastern Neighborhoods  
 4 Program Area, excluding Designated Affordable Housing Zones shall be allocated to accounts by  
 5 improvement type according to Table 423.5.

6 \_\_\_\_\_ (B) Funds collected in Designated Affordable Housing Zones (Mission NCT  
 7 and MUR, as defined in Section 401), shall be allocated to accounts by improvement type as described  
 8 in Table 423.5A.

9 **Table 423.5**

10 **BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS COMMUNITY**  
 11 **IMPROVEMENTS FEE/FUND**

12 **BY IMPROVEMENT TYPE\***

<b><u>Improvement Type</u></b>	<b><u>Dollars Received From Residential Development</u></b>	<b><u>Dollars Received From Non-Residential /Commercial Development</u></b>
<u>Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities</u>	<u>31%</u>	<u>34%</u>
<u>Transit</u>	<u>10%</u>	<u>53%</u>
<u>Recreation and Open Space</u>	<u>47.5%</u>	<u>6%</u>
<u>Childcare</u>	<u>6.5%</u>	<u>2%</u>
<u>Program Administration</u>	<u>5%</u>	<u>5%</u>

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

24 **Table 423.5A**



**BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT**

**FEE/FUND**

**BY IMPROVEMENT TYPE FOR DESIGNATED AFFORDABLE HOUSING ZONES**

<b><u>Improvement Type</u></b>	<b><u>Dollars Received From Residential Development</u></b>	<b><u>Dollars Received From Non-Residential /Commercial Development</u></b>
<i><u>Affordable Housing preservation and development</u></i>	<i><u>75%</u></i>	<i><u>n/a</u></i>
<i><u>Open space and recreation</u></i>	<i><u>10%</u></i>	<i><u>6%</u></i>
<i><u>Transit</u></i>	<i><u>6%</u></i>	<i><u>85%</u></i>
<i><u>Pedestrian and Streetscape Improvements</u></i>	<i><u>4%</u></i>	<i><u>4%</u></i>
<i><u>Program administration</u></i>	<i><u>5%</u></i>	<i><u>5%</u></i>

\_\_\_\_\_ (2) **Program Administration.** *No portion of the Fund may be used, by way of loan or otherwise, to pay any administrative, general overhead, or similar expense of any public entity, except for the purposes of administering this fund in an amount not to exceed 5% of the total annual revenue. Administration of this fund includes maintenance of the fund, time and materials associated with processing and approving fee payments and expenditures from the Fund (including necessary hearings), reporting or informational requests related to the Fund, and coordination between public agencies regarding determining and evaluation appropriate expenditures of the Fund. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee, or to complete a nexus study to demonstrate or update the relationship between development and the need for public facilities, or to commission landscape, architectural or other*

1 planning, design and engineering services in support of the proposed public improvement. Funds may  
2 be used for administration and accounting of fund assets, for additional studies as detailed in the  
3 Eastern Neighborhoods Public Benefits Program Document, and to defend the Community  
4 Stabilization fee against legal challenge, including the legal costs and attorney's fees incurred in the  
5 defense. Administration of this fund includes time and materials associated with reporting  
6 requirements, facilitating the Eastern Neighborhoods Citizens Advisory Committee meetings, and  
7 maintenance of the fund. All interest earned on this account shall be credited to the Eastern  
8 Neighborhoods Community Improvements Public Benefits Fund.

9 (c) ~~Funds shall be deposited into specific accounts according to the improvement type for~~  
10 ~~which they were collected. Funds from a specific account may be used towards a different improvement~~  
11 ~~type, provided said account or fund is reimbursed over a five-year period of fee collection.~~ Funds shall  
12 be allocated to accounts by improvement type as described below:

13 (1) Funds collected from all zoning districts in the Eastern Neighborhoods  
14 Program Area, excluding Designated Affordable Housing Zones shall be allocated to accounts  
15 by improvement type according to Table 423.5. Funds collected from MUR Zoning Districts  
16 outside of the boundaries of either the East Soma or Western Soma Area Plans shall be allocated to  
17 accounts by improvement type according to Table 423.5.

18 (2) Funds collected in designated affordable housing zones (Mission NCT and  
19 MUR Use Districts within the boundaries of either the East SoMa or Western SoMa Area Plans (as  
20 defined in 401)), shall be allocated to accounts by improvement type as described in Table  
21 423.5A. ~~The revenue devoted to affordable housing preservation and development shall be deposited~~  
22 ~~into a specific amount to be held by the Mayor's Office of Housing.~~ For funds allocated to affordable  
23 housing, MOH shall expend the funds as follows:

1 (A) All funds collected from projects in the Mission NCT ~~that are~~  
2 ~~earmarked for affordable housing preservation and development~~ shall be expended on housing  
3 programs and projects within the Mission Area Plan boundaries.

4 (B) All funds collected from projects in the MUR Use Districts within the  
5 boundaries of either the East SoMa or Western SoMa Area Plans ~~that are earmarked for affordable~~  
6 ~~housing preservation and development~~ shall be expended on housing programs and projects ~~shall~~  
7 ~~be expended~~ within the boundaries of 5th to 10th Streets/Howard to Harrison Streets.

8 (C) Collectively, the first \$10 million in housing fees collected between  
9 the two Designated Affordable Housing Zones shall be utilized for the acquisition and  
10 rehabilitation of existing housing.

11 ~~— (3) All funds are supported by the Eastern Neighborhoods and Western SoMa Nexus~~  
12 ~~Studies, San Francisco Planning Department, Case No. 2004.0160 and 2008-0877, and monitored~~  
13 ~~according to the Eastern Neighborhoods Area Plans Monitoring Program required by the~~  
14 ~~Administrative Code Section 10E and detailed by separate resolution.~~

15  
16 TABLE 423.5  
17 BREAKDOWN OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND  
18 BY IMPROVEMENT TYPE\*  
19 Improvement Type Residential Non-residential  
20 Open space and recreational facilities 50% 7%  
21 Transit, streetscape and public realm improvements 42% 90%  
22 Community facilities (child care and library materials) 8% 3%

1 \*Does not apply to Designated Affordable Housing Zones, which are addressed in Table  
2 423.5A.

3  
4 TABLE 423.5A

5 BREAKDOWN OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND  
6 BY IMPROVEMENT TYPE FOR DESIGNATED AFFORDABLE HOUSING ZONES

7 Improvement Type Residential Non-residential

8 Affordable housing preservation and development 75% n/a

9 Open space and recreational facilities 13% 7%

10 Transit, streetscape and public realm improvements 10% 90%

11 Community facilities (child care and library materials) 2% 3%

12 (d) The Planning Department shall work with other City agencies and commissions,  
13 specifically the Department of Recreation and Parks, DPW and MTA to develop a proposed  
14 expenditure plan, and to develop agreements related to the administration of the improvements to  
15 existing public facilities and development of new public facilities within public rights-of-way or on any  
16 acquired public property. The proposed expenditure plan shall be approved by the Board of  
17 Supervisors

18 With full participation by the Planning Department and related implementing agencies, the  
19 Controller's Office shall file a report with the Board of Supervisors in even-numbered years, which  
20 report shall include the following elements: (1) a description of the type of fee in each account or fund;  
21 (2) amount of fee collected; (3) beginning and ending balance of the accounts or funds including any  
22 bond funds held by an outside trustee; (4) amount of fees collected and interest earned; (5)  
23 identification of each public improvement on which fees or bond funds were expended and amount of  
24 each expenditure; (6) an identification of the approximate date by which the construction of public  
25 improvements will commence; (7) a description of any interfund transfer or loan and the public

1 ~~improvement on which the transferred funds will be expended; and (8) amount of refunds made and any~~  
2 ~~allocations of unexpended fees that are not refunded.~~

3 (e) Acquisition of New Open Space. A public hearing shall be held by the Recreation  
4 and Parks Commission~~s~~ to elicit public comment on proposals for the acquisition of property  
5 using monies in the Fund that will ultimately be maintained by the Department of Recreation  
6 and Parks. Notice of public hearings shall be published in an official newspaper at least 20  
7 days prior to the date of the hearing, which notice shall set forth the time, place, and purpose  
8 of the hearing. The Parks Commission~~s~~ may vote to recommend to the Board of Supervisors  
9 that it appropriate money from the Fund for acquisition and development of property acquired  
10 for park use.

11 ~~—(f) The Planning Commission shall work with other City agencies and commissions,~~  
12 ~~specifically the Department of Recreation and Parks, DPW, and the MTA, to develop agreements~~  
13 ~~related to the administration of the improvements to existing public facilities and development of new~~  
14 ~~public facilities within public rights-of-way or on any acquired public property, using such monies as~~  
15 ~~have been allocated for that purpose at a hearing of the Board of Supervisors.~~

16 (fg) ~~The Planning Commission, based on findings from the Interagency Planning &~~  
17 ~~Implementation Committee (IPIC), shall make recommendations to the Board regarding allocation of~~  
18 ~~funds.~~

19 ~~—(h) Within 60 days of receiving the Eastern Neighborhoods Capital Expenditure~~  
20 ~~Evaluation Report as specified in Administrative Code Section 10E.2(c), the Office of the~~  
21 ~~Controller shall assess whether funds collected from the Eastern Neighborhoods Community~~  
22 ~~Improvement Impact Fee are being effectively utilized for capital projects serving the Eastern~~  
23 ~~Neighborhoods, and whether such projects are successfully advancing towards~~  
24 ~~implementation, as set forth in the abovementioned Section. Based on this assessment, the~~  
25 ~~following shall occur:~~

1            (1) ~~(A)~~ If the Controller determines that the funds have been effectively utilized as  
2 set forth in Section 10E.2(c) of the Administrative Code, the Controller shall issue an  
3 affirmative finding to the Board of Supervisors and the Planning Commission certifying that  
4 the intent of this aforementioned Section is being met. No further Controller action is  
5 necessary for purposes of this Subsection.

6            (2) ~~(B)~~ If the Controller fails to issue the certification described in Subsection  
7 ~~(H)~~(1A) above or if the Controller determines that the fees are not being effectively utilized as  
8 set forth in Administrative Code Section 10E.2(c) and notifies the Board of Supervisors and  
9 Planning Commission of this determination, then the following shall occur:

10            ~~(i)~~ (A) Any project specified below within the Eastern Neighborhoods Area Plan  
11 that has not already received final and effective approvals from the Planning Department,  
12 Zoning Administrator, and/or the Planning Commission, shall require a conditional use  
13 authorization, in addition to any other approvals necessary under the Planning Code:

14                    (i) ~~(aa)~~ Residential projects containing more than 10 new units that have  
15 not received issuance of their first site or building permit; or

16                    (ii) ~~(bb)~~ Non-residential projects containing a net new addition or new  
17 construction of 10,000 square feet or more that have not received issuance of their first site or  
18 building permit.

19            (3) ~~(C)~~ Elimination of interim conditional use requirement.

20            (A) At any time after the Controller has determined that Eastern Neighborhood  
21 impact fees are not being effectively utilized as set forth in Section 423.5~~(H)~~(B2) above, or  
22 fails to certify that they are being effectively utilized as set forth in Section 423.5~~(H)~~(A1), the  
23 Planning Department may provide the Controller with a newly updated or revised Eastern  
24 Neighborhoods Capital Expenditure Evaluation Report.

1           (Bii) Within 60 days of receiving an updated or revised Report, the Office of the  
2 Controller shall determine whether funds collected from the Eastern Neighborhoods  
3 Community Improvement ~~Public Benefit~~ Fee are being effectively utilized for capital projects  
4 serving the Eastern Neighborhoods consistent with the intent of the Section 10E.2(c) of the  
5 Administrative Code.

6           (Ciii) If, on the basis of a new, updated, or revised Eastern Neighborhoods  
7 Capital Expenditure Evaluation Report, the Controller determines that the development impact  
8 fees collected to date are being effectively utilized as set forth in Section 423.5(~~f~~)(1A) above,  
9 any projects within the Eastern Neighborhoods Plan Area that required a conditional use  
10 authorization on an interim basis as set forth in Section 423.5(~~f~~)(2B) shall no longer require  
11 such conditional use authorization unless the underlying use requires conditional use  
12 authorization independently ~~of the requirements set forth in Section 423.5(f)(2)(i)(B).~~

13  
14           **SEC. 424.1. FINDINGS SUPPORTING THE VAN NESS AND MARKET AFFORDABLE**  
15 **HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM.**

16           ~~A.~~(a) **Affordable Housing.** The Van Ness and Market Residential Special use District  
17 (“SUD”) enables the creation of a very dense residential neighborhood through significant  
18 increases in development potential. This increase in development potential permits an  
19 increase in market rate housing development. As described in Section 415.1, affordable  
20 housing is a priority for San Francisco and additional demand for affordable housing is closely  
21 correlated to the development of new market rate housing. At the direction of the Board of  
22 Supervisors and as part of a larger analysis of development impact fees in the City, the City  
23 contracted with Keyser Marston Associates to prepare a nexus analysis in support of the  
24 Inclusionary Housing Program, or an analysis of the impact of development of market rate  
25 housing on affordable housing supply and demand.

1           The City's Inclusionary Housing Program including the in-lieu fee provision which is  
2 offered as an alternative to building units within market rate projects, is not subject to the  
3 requirements of the Mitigation Fee Act, Government Code Sections 66000 et seq.  
4 Notwithstanding this policy, as an additional support measure, the City prepared a nexus  
5 study consistent with the Mitigation Fee Act to determine whether the Inclusionary Affordable  
6 Housing Program was supported by such analysis. The final nexus study can be found in the  
7 Board of Supervisors File and is incorporated by reference herein. The Board of Supervisors  
8 has reviewed the study and the Department's analysis and report of the study and, on that  
9 basis finds that the nexus study supports the current Inclusionary Affordable Housing Program  
10 requirements as specified in this Section 424.1 et seq. combined with this Affordable Housing  
11 Floor Area Ratio "(FAR") Bonus Program. Specifically, the Board finds that the nexus study:  
12 identifies the purpose of the fee to mitigate impacts on the demand for affordable housing in  
13 the City; identifies the use to which the fee is to be put as being to increase the City's  
14 affordable housing supply; and establishes a reasonable relationship between the use of the  
15 fee for affordable housing and the need for affordable housing and the construction of new  
16 market rate housing. Moreover, the Board finds that the current inclusionary requirements  
17 combined with the Affordable Housing FAR Bonus Program are less than the cost of  
18 mitigation and do not include the costs of remedying any existing deficiencies. The Board also  
19 finds that the study establishes that the current inclusionary requirements combined with the  
20 Affordable Housing FAR Bonus Program do not duplicate other City requirements or fees.

21           Moreover, according to the study undertaken by Seifel Consulting at the direction of  
22 the Planning Department, increased development potential in the Van Ness and Market  
23 Downtown Residential Special Use district through the increased FAR allowance enables an  
24 increased contribution to the Citywide Affordable Housing Fund without discouraging the  
25



1 development of new market rate housing. A copy of said study is on file with the Clerk of the  
2 Board of Supervisors.

3 ~~B.(b)~~ **Neighborhood Infrastructure.** The Van Ness & Market Residential SUD  
4 enables the creation of a very dense residential neighborhood in an area built for back-office  
5 and industrial uses. Projects that seek the FAR bonus above the maximum cap would  
6 introduce a very high localized density in an area generally devoid of necessary public  
7 infrastructure and amenities, as described in the Market ~~&and~~ Octavia Area Plan. While  
8 envisioned in the Plan, such projects would create localized levels of demand for open space,  
9 streetscape improvements, ~~community facilities~~ and public transit above and beyond the levels  
10 both existing in the area today and funded by the Market ~~&and~~ Octavia Community  
11 Improvements Fee. Such projects also entail construction of relatively taller or bulkier  
12 structures in a concentrated area, increasing the need for offsetting open space for relief from  
13 the physical presence of larger buildings. Additionally, the FAR bonus provisions herein are  
14 intended to provide an economic incentive for project sponsors to provide public infrastructure  
15 and amenities that improve the quality of life in the area. The bonus allowance is calibrated  
16 based on the cost of responding to the intensified demand for public infrastructure generated  
17 by increased densities available through the FAR density bonus program.

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

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

7            ~~C-(c)~~ **Public Improvements.** The public improvements acceptable in exchange for  
8 granting the FAR bonus, and that would be necessary to serve the additional population  
9 created by the increased density, are listed below. All public improvements shall be consistent  
10 with the Market &and Octavia Area Plan.

11            (1) **Open Space Acquisition and Improvement:** Brady Park (as described in  
12 the Market &and Octavia Area Plan), or other open space of comparable size and  
13 performance. Open space shall be dedicated for public ownership or permanent easement for  
14 unfettered public access and improved for public use, including landscaping, seating, lighting,  
15 and other amenities.

16            (2) **Complete Streets:** ~~Streetscape and Pedestrian Improvements:~~ Pedestrian and  
17 Streetscape improvements and Bicycle Infrastructure within the Special Use District as  
18 described in the Market and& Octavia Area Plan, including Van Ness and South Van Ness  
19 Avenues, Gough, Mission, McCoppin, Otis, Oak, Fell, 11th and 12th Streets, along with  
20 adjacent alleys. Improvements include sidewalk widening, landscaping and trees, lighting,  
21 seating and other street furniture (e.g., newsracks, kiosks, bicycle racks), signage, transit stop  
22 and subway station enhancements (e.g., shelters, signage, boarding platforms), roadway and  
23 sidewalk paving, and public art.

24            (3) **Affordable Housing.** The type of affordable housing needed in San  
25 Francisco is documented in the City's Consolidated Plan and the Residence Element of the

1 General Plan. New affordable rental housing and ownership housing affordable to households  
2 earning less than the median income is greatly needed in San Francisco.

3  
4 **SEC. 424.3. APPLICATION OF VAN NESS AND MARKET AFFORDABLE**  
5 **HOUSING AND NEIGHBORHOOD INFRASTRUCTURE FEE AND PROGRAM.**

6 (a) Application. Section 424.1et seq. shall apply to any development project located  
7 in the Van Ness and Market Downtown Residential Special Use District, as established in  
8 Section 249.33 of this Code. The Fee is due and payable to the Development Fee Collection Unit at  
9 DBI at the time of and in no event later than issuance of the first construction document, with an option  
10 for the project sponsor to defer payment to prior to issuance of the first certificate of occupancy upon  
11 agreeing to pay a deferral surcharge that would be paid into the appropriate fund in accordance with  
12 Section 107A.13.3 of the San Francisco Building Code.

13 \* \* \* \*

14  
15 **SEC. 424.5. VAN NESS AND MARKET DOWNTOWN RESIDENTIAL SPECIAL USE**  
16 **DISTRICT INFRASTRUCTURE FUND.**

17 (a) Purpose. There is hereby established a separate fund set aside for a special  
18 purpose entitled the Van Ness and Market Neighborhood Infrastructure Fund ("Fund"). That  
19 portion of gross floor area subject to the \$15.00 per gross square foot fee referenced in  
20 Section 424.3(b)(ii) above shall be deposited into the Van Ness and Market Neighborhood  
21 Infrastructure Fund deposited in the Fund, ~~which shall be~~ maintained by the Controller. The  
22 receipts of the Fund are hereby appropriated in accordance with law through the normal  
23 budgetary process to fund public infrastructure and other allowable improvements subject to the  
24 conditions of this Section. ~~to be used solely to fund public infrastructure subject to the following~~  
25 conditions:

**Table 424.5A. Breakdown of Use of Market and Octavia Community Improvement Fee by**

**Infrastructure Type.**

<b><u>Improvement Type</u></b>	<b><u>Dollars Received From Residential Development</u></b>	<b><u>Dollars Received From Non-Residential</u></b>
<i><u>Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities</u></i>	<u>44%</u>	<u>30%</u>
<i><u>Transit</u></i>	<u>22%</u>	<u>45%</u>
<i><u>Recreation and Open Space</u></i>	<u>21%</u>	<u>20%</u>
<i><u>Childcare</u></i>	<u>8%</u>	<u>Not applicable</u>
<i><u>Program Administration</u></i>	<u>5%</u>	<u>5%</u>

(1) **Infrastructure.** All monies deposited in the Fund, plus accrued interest, shall be used solely to design, engineer, acquire, and develop neighborhood recreation and open spaces, pedestrian amenities and streetscape improvements, and bicycle infrastructure that result in new publicly-accessible facilities. First priority should be given to projects within the Van Ness and Market Downtown Residential Special Use District or the area bounded by 10th Street, Howard Street, South Van Ness Avenue, the northeastern line of the Central Freeway, Market Street, Franklin Street, Hayes Street, and Polk Street. Second priority should be given to projects within the Market and Octavia Plan. These improvements shall be consistent with the Market and Octavia Area Plan of the General Plan and any Plan that is approved by the Board of Supervisors in the future for the area covered by the Van Ness and Market Downtown Residential Special Use District, except that monies from the Fund may be used by the Planning Commission to commission studies to revise the fee above, or to commission

1 landscape, architectural or other planning, design and engineering services in support of the  
2 proposed public improvements.

3 (2) No portion of the Fund may be used, by way of loan or otherwise, to pay  
4 any administrative, general overhead, or similar expense of any public entity.

5 (3) ~~The Controller's Office shall file a report with the Board of Supervisors in even-~~  
6 ~~numbered years. Monies in the Fund shall be appropriated by the Board of Supervisors and~~  
7 ~~administered by the Director of Planning.~~

8 (4) At the close of a fiscal year in which the Market and Octavia Community  
9 Improvements Program has generated funding for no less than \$211 million of expenditures in  
10 the plan area, including revenue generated through this Section 424.1 et seq., Section 421  
11 fee payments, in-kind improvements, public grants, San Francisco general funds, assessment  
12 districts, and other sources which contribute to the overall programming, all future funds  
13 generated through Section 424.1 et seq. shall be redirected ~~one hundred (100%) percent~~ to the  
14 Citywide Affordable Housing Fund.

15 (45) Expenditure of funds shall be coordinated with appropriate City agencies as  
16 detailed in Section 421.5(d) and (e).

17 (56) The Director shall have the authority to prescribe rules and regulations  
18 governing the Fund, which are consistent with Section 424.1 et seq. The Director of Planning,  
19 as the head of the Interagency Plan Implementation Committee (IPIC), shall make  
20 recommendations to the Board regarding allocation of funds.

21  
22 **SEC. 424.6.2. APPLICATION OF TRANSIT CENTER DISTRICT OPEN SPACE**  
23 **IMPACT FEE**

24 \* \* \* \*

1 (e) **Timing of Fee Payments.** The Transit Center District Open Space Impact Fee is  
2 due and payable to the Development Fee Collection Unit at DBI ~~prior to~~ at the time of and in no  
3 event later than issuance of the first construction document, with an option for the project  
4 sponsor to defer payment to prior to issuance of the first certificate of occupancy upon  
5 agreeing to pay a deferral surcharge that would be paid into the appropriate fund in  
6 accordance with Section 107A.13.3 of the San Francisco Building Code .

7 \* \* \* \*

8  
9 **SEC. 424.7.2. APPLICATION OF TRANSIT CENTER DISTRICT**  
10 **TRANSPORTATION AND STREET IMPROVEMENT IMPACT FEE.**

11 \* \* \* \*

12 (e) **Timing of Fee Payments.** The Transit Center District Transportation and Street  
13 Improvement Impact Fee is due and payable to the Development Fee Collection Unit at DBI  
14 ~~prior to~~ at the time of and in no event later than issuance of the first construction document, with  
15 an option for the project sponsor to defer payment to prior to issuance of the first certificate of  
16 occupancy upon agreeing to pay a deferral surcharge that would be paid into the appropriate  
17 fund in accordance with Section 107A.13.3 of the San Francisco Building Code .

18 \* \* \* \*

19  
20 Section 3. Effective Date. This ordinance shall become effective 30 days after  
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
23 of Supervisors overrides the Mayor’s veto of the ordinance.

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

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

9 By: SUSAN CLEVELAND-KNOWLES  
10 Deputy City Attorney

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