



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19454

HEARING DATE SEPTEMBER 10, 2015

Project Name: Establishing a New Transportation Sustainability Fee
Case Number: 2015-009096PCA [Board File No. 150790]
Initiated by: Mayor Lee and Supervisor Wiener, Supervisor Breed, and Supervisor Christensen / Substituted September 8, 2015
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Recommendation: **Recommend Approval**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

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

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

1. Grandfather residential projects before July 1, 2014 with a 50% fee reduction and residential projects after July 1, 2014 with a 25% fee reduction;
2. Exempt non-profit secondary institutions that require a full Institutional Master Plan from paying the fee;
3. Apply the fee to non-profit hospitals that require a full Institutional Master Plan;
4. Request that the Board consider fee rates of up to 33% of nexus, subject to further analysis of development feasibility;
5. Request that the Board consider graduated fee rates based on area/neighborhood of the city, and/or consider removing the area plan fee reduction; and,
6. Require economic feasibility analysis updates every three years rather than five, and include the Planning Commission as an entity that may request analyses sooner.

FINDINGS

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

7. Substantial investments in infrastructure are needed to address the predicted demands on the transportation system and street network generated by new growth.
8. The TSF is an efficient and equitable method of providing funds to address the transportation demands imposed on the City by new development projects, and is projected to generate approximately \$1.2 billion in revenue over the next 30 years, of which approximately \$420 million would be new revenue.
9. The TSF rates were set to maximize revenues for transportation and complete streets without making developments too costly to build, and were based on the findings of the TSF Nexus Study and TSF Economic Feasibility Study.
10. **General Plan Compliance.** The proposed amendments to the Planning Code are not addressed in the General Plan; the Commission finds that the proposed Ordinance is not inconsistent with the Objectives and Policies of the General Plan.
11. **Planning Code Section 101 Findings.** The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

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

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

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

The proposed Ordinance would not have a negative effect on housing or neighborhood character.

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

The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.

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

The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking, and would raise revenues to enhance transit service and improve streets to meet growing demand.

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

The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.

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

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

7. That the landmarks and historic buildings be preserved;

The proposed Ordinance would not have an impact on the City's Landmarks and historic buildings.


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

The proposed Ordinance would not have an impact on the City's parks and open space and their access to sunlight and vistas.

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

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance as described in this Resolution.

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



Jonas P. Ionin
Commission Secretary

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

NOES:

ABSENT:

ADOPTED:

