



Transportation Sustainability Program



MARKET & OCTAVIA CAC | JANUARY 2012



SAN FRANCISCO
PLANNING DEPARTMENT



SAN FRANCISCO
Office of Economic and Workforce Development

SFMTA

Municipal Transportation Agency

Transportation Sustainability Program

GOALS & OBJECTIVES

- Better align City practices with citywide policy goals
- Harmonize California Environmental Quality Act (CEQA) analysis with City's 40-year-old *Transit First* policy
- Integrate impact fees with CEQA process
- Streamline CEQA review
- Fund high-efficiency transportation system improvements that result in measurable mitigations on a citywide basis

Transportation Sustainability Program

WHAT IT DOES

- Changes transportation impact analysis methodology under CEQA
- Establishes a citywide Transportation Sustainability Fee (**TSF**) that replaces Transit Impact Development Fee (TIDF) and extends fees to residential uses
- Completes an EIR studying the cumulative transportation impacts of 20 years of projected development & transportation projects

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PURPOSE



Together, change to CEQA transportation methodology & establishment of a Citywide transportation impact fee ensures that development's cumulative impacts to the transportation system are offset by improvements to the transportation system as a whole, in line with City policies & priorities.

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CHANGE TO CEQA METHODOLOGY

- Transportation impact analysis focuses on transit system performance (delay, crowding)
- Eliminates LOS as a CEQA metric
 - ▶ MITIGATIONS PROVIDED UNDER LOS ARE FREQUENTLY CONTRARY TO CITY POLICY AND PRIORITIES AND OFTEN INFEASIBLE
 - ▶ BY FOCUSING ON IMPACTS TO THE TRANSPORTATION SYSTEM AS A WHOLE, MITIGATIONS CAN BE MORE EFFECTIVELY APPLIED
 - ▶ LOS MAY CONTINUE TO BE USED AS A PLANNING TOOL FOR CORRIDOR AND AREA-WIDE PLAN DEVELOPMENT

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EFFECT ON DEVELOPMENT PROJECTS

- Many projects will no longer be required to conduct CEQA transportation studies = time and cost savings
 - ▶ INDIVIDUAL PROJECTS WILL BE RELIEVED OF HAVING TO STUDY CUMULATIVE TRANSPORTATION IMPACTS BECAUSE THE TSP EIR WILL STUDY THOSE IMPACTS
 - ▶ PROJECT-SPECIFIC ANALYSIS WILL BE LIMITED TO SITE DESIGN ISSUES SUCH AS LOADING DOCKS, CURB CUTS, AND PEDESTRIAN AND BICYCLE SAFETY

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EFFECT ON DEVELOPMENT PROJECTS

- All land use projects are required to pay the TSF commensurate with their net new impact on the transportation system
- Payment of the TSF offsets cumulative transportation impacts on a citywide basis
- All projects are relieved of cumulative transportation impact analysis
- Project-specific analysis is limited to site-design issues

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EFFECT ON TRANSPORTATION PROJECTS

- Most projects are not required to undergo transportation impact analysis under CEQA

- Analysis may be required in limited cases where there are corridor-level impacts resulting in a significant & sustained disruption to transit service

- Potential triggers include:
 - ▶ REDUCING ROADWAY CAPACITY ON A TRANSIT STREET
 - ▶ CREATING OPERATIONAL CONFLICTS WITH TRANSIT

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TRANSPORTATION SUSTAINABILITY FEE

- Replaces Transit Impact Development Fee (TIDF)
- Citywide impact fee on both residential & non-residential development
- Offsets the cumulative impact of 20 years of projected development on the citywide transportation system
- Charges a reasonable share to all land use projects
- Transit, bike, & ped projects are not subject to the fee
- Plan Area impact fees reduced to accommodate the TSF, as legislated during adoption of the Area Plans
 - ▶ THE PORTION OF THE PLAN AREA IMPACT FEE DIRECTED TO TRANSPORTATION IMPROVEMENTS NOW COLLECTED UNDER THE TSF & ALLOCATED TO TSF EXPENDITURE PRIORITIES

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TIDF ORDINANCE UPDATE

- Proposed for adoption in Spring 2012 and will stay in effect until the new TSF is authorized for collection
- Legal requirement to update nexus every 5 years (Completed February 2011)
- New TIDF nexus study improved 2004 nexus methodology, consistent with TSF study
- New ordinance will simplify collection process and create consistency with other Article 4 impact fees
- Fee levels are significantly below the allowable nexus levels last established in 2004
- Minor increase in most TIDF rates were analyzed for effect on financial feasibility
- TIDF will not be extended to residential uses
- TIDF will extend to non-profit and institutional uses

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TSF & EXPENDITURE PLAN

- Generates approx. **\$630 M** over 20 years
- TSF revenue will leverage an additional **\$820 M** in other transportation revenues
- Together, they fund a comprehensive & strictly regulated **\$1.4 B** plan targeted at highly-efficient transportation system improvements

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EXPENDITURE PLAN

<i>PROJECT CATEGORY</i>	<i>SHARE</i>
A. Transit Headway Improvements and Service Expansions	65%
B. Transit Reliability Improvements	29%
C. Regional Transit Improvements	2%
D. Bicycle, Pedestrian and Pricing Programs to Shift Mode Share	4%
TSF Program Implementation	0%
Total 100%	

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Total	100%

Transit Service Expansion in Market/Octavia

**5 Fulton
6 Parnassus
14, 14X, 14L Mission
21 Hayes
22 Fillmore
71L Haight Noriega
J Church
F Market
N Judah**

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Total	100%

▶ **Rapid Network Travel Time Improvements in Market/Octavia**

Van Ness Bus Rapid Transit

Market Street Redesign: Transportation Components

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TRANSPORTATION SUSTAINABILITY FEE

<i>ECONOMIC ACTIVITY CATEGORY</i>	<i>TSF PER SQ. FT.</i>
Residential	\$5.53
Nonresidential	
Management, Information and Professional Services	\$12.64
Retail / Entertainment	\$13.30
Production, Distribution, Repair	\$6.80
Cultural / Institution / Education	\$13.30
Medical and Health Services	\$13.30
Visitor Services	\$12.64

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MARKET & OCTAVIA FEE RATES

NEW RESIDENTIAL

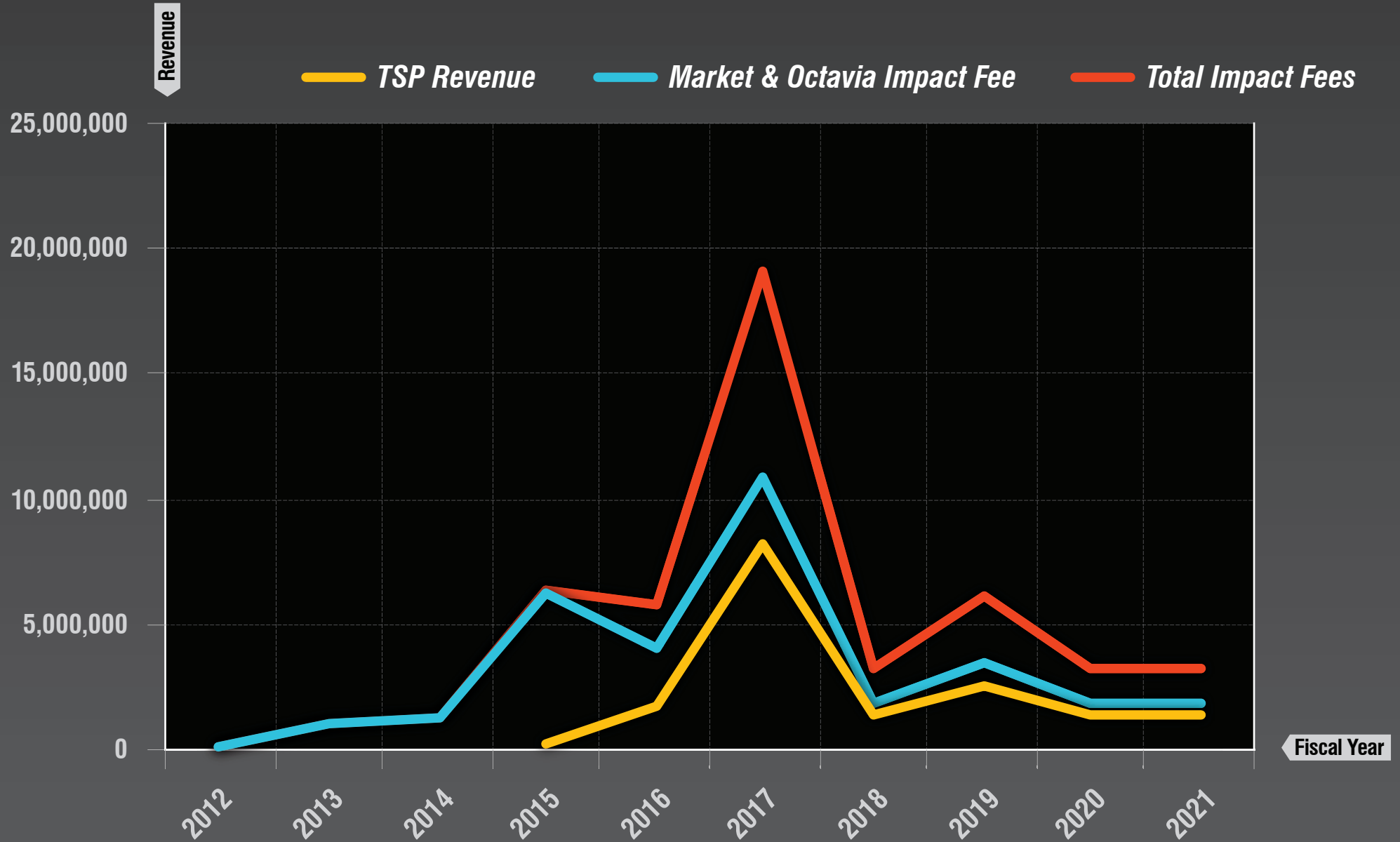
EXISTING				TRANSPORTATION SUSTAINABILITY PROGRAM			Net change to total impact fee
Total MO Fee	MO Fee for Trans	TIDF (Average)	TOTAL PER GSF	MO (less TSP Credit)	TSP	TOTAL PER GSF	
\$9.57 /SF	\$2.11 /SF	\$ -	\$9.57 /SF	\$7.46 /SF	\$5.53 /SF	\$12.99 /SF	\$3.42 /SF

NEW COMMERCIAL

EXISTING				TRANSPORTATION SUSTAINABILITY PROGRAM			Net change to total impact fee
Total MO Fee	MO Fee for Trans	TIDF (Average)	TOTAL PER GSF	MO (less TSP Credit)	TSP	TOTAL PER GSF	
\$3.62 /SF	\$ -	\$12.06 /SF	\$15.68 /SF	\$3.62 /SF	\$13.04 /SF	\$16.66 /SF	\$0.98 /SF

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PROJECTED IMPACT FEE REVENUE: MO PLAN AREA



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TSF POTENTIAL DISCOUNTS

- Graduated fee discounts (up to 100%) for projects which build less than the maximum allowed parking
- 100% fee waivers for small businesses using existing vacant space < 5,000 sq. ft.
- 100% fee waivers for affordable housing
- Maximum \$40 M in discounts available over 20-year life of program

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FINANCIAL FEASIBILITY

- Consultant prepared a draft financial feasibility/impact analysis of extending TSF to residential uses
 - ▶ GOAL OF SETTING TSF AT LEVELS THAT SUSTAIN RESIDUAL LAND VALUES
 - ▶ STUDY ASSUMPTIONS TO BE REVIEWED BY A TECHNICAL ADVISORY GROUP IN 2013
 - ▶ PROJECTED \$630 M IN TSF REVENUES COULD BE PARTIALLY OFFSET BY OTHER NEW REVENUE SOURCES

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IMPLEMENTATION

- City will program TSF-funded projects every two years
- Projects will be included in the City's Capital Plan, with review and approval by the relevant policy bodies & Board of Supervisors
- Projects must:
 - ▶ OFFSET ANY POTENTIAL CEQA CUMULATIVE TRANSPORTATION IMPACTS GENERATED FROM NEXT 20 YEARS OF CITYWIDE DEVELOPMENT *AND*
 - ▶ BE CONSISTENT WITH AND MEET PERFORMANCE CRITERIA OF NEXUS ANALYSIS

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TRANSITION PERIOD

- After ordinance is introduced, projects may:
 - ▶ PROCEED UNDER LOS AND PAY TIDF *OR*
 - ▶ PROCEED UNDER NEW RULES AND PAY TSF
 - After ordinance is adopted, all projects will be subject to the new rules and the TSF
-

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TIMELINE

<i>WHAT</i>	<i>WHEN</i>
Initiate Stakeholder Outreach	November 2011
Policy Body Presentations	January 2012
Ordinance Introduction	February 2012
Environmental Review Begins	February 2012
Ongoing Stakeholder Updates	2012 - 2013
Environmental Review Ends	Summer 2013
Legislation Heard and Adopted	Fall 2013

Questions?

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Transportation Sustainability Fee

TSF AND TIDF COMPARISON

<i>ECONOMIC ACTIVITY CATEGORY</i>	<i>TIDF / SQ. FT.</i>	<i>TSF / SQ. FT.</i>
Cultural / Institution / Education	\$11.68	\$13.30
Management, Information & Professional Services	\$11.68	\$12.64
Production, Distribution, Repair	\$9.34	\$6.80
Medical and Health Services	\$11.68	\$13.30
Retail / Entertainment	\$11.68	\$13.30
Visitor Services	\$9.34	\$12.64
Residential	Exempt	\$5.53

Transportation Sustainability Fee

TSF VS TIDF REVENUE (2010–2030)

<i>ECONOMIC ACTIVITY CATEGORY</i>	<i>TIDF REVENUE</i>	<i>TSF REVENUE</i>	<i>TIDF VS TSF</i>	
Cultural / Institution / Education	\$68,000,000	\$77,100,000	\$9,100,000	13%
Management, Information & Professional Services	\$158,000,000	\$170,600,000	\$12,600,000	8%
Production, Distribution, Repair	\$56,000,000	\$40,800,000	-\$15,200,000	-27%
Medical and Health Services	\$41,000,000	\$46,600,000	\$5,600,000	14%
Retail / Entertainment	\$123,000,000	\$139,700,000	\$16,700,000	14%
Visitor Services	\$14,000,000	\$19,000,000	\$5,000,000	36%
Residential	\$--	\$138,800,000		
Total	\$460,000,000	\$632,600,000	\$172,600,000	38%