



SAN FRANCISCO PLANNING DEPARTMENT

Memo to the Planning Commission

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Subject: **Informational Presentation on the Transportation
Sustainability Program**

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OVERVIEW

The Transportation Sustainability Program (TSP) is an innovative program that relates two currently distinct aspects of the development process – environmental review and the application of development impact fees – in order to better meet the City’s longstanding *Transit First* policy. The program has two components: 1) changing the methodology used to analyze transportation impacts under the California Environmental Quality Act (CEQA) by eliminating automobile Level of Service (LOS) as a metric and replacing it with a metric that takes into account all modes of transportation; and 2) establishing a citywide Transportation Sustainability Fee (TSF) to offset impacts of new development to the City’s transportation network. Taken together, the change to the transportation impact analysis methodology and the establishment of a citywide transportation impact fee ensures that development’s cumulative impacts to the transportation system are offset by improvements to the system as a whole, in line with City policies and priorities. The City will complete an Environmental Impact Report (EIR) to study these changes and their effects on the cumulative transportation system impacts of twenty years of projected development.

The TSP addresses the inconsistency between the City’s adopted policies and programs – which emphasize multimodal transportation solutions – and the focus on speed of automobile throughput which currently exists under the City’s review of environmental impacts of proposed projects under CEQA. For the past 40 years, the City has recognized the importance of multimodal transportation, beginning with the adoption of the *Transit First* policy in 1973, through to the recent adoption of the San Francisco Bicycle Plan and the Better Streets Plan, which establish the priority of transit, the bicycle network, and an improved pedestrian experience. These policies recognize that, as a built-out urban environment, reliance on non-automobile modes is necessary for the City’s transportation system to continue to move people effectively. The City’s *Transit First* policy states, in part, “within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.” However, a central component of analysis of development’s transportation-related environmental impacts is automobile Level of Service (LOS), which considers delays for automobiles through congested intersections or roadways to be a negative environmental impact. The result is that the mitigations suggested under CEQA analysis may be in contradiction to the City’s multimodal

goals. For example, a CEQA mitigation could be to add a lane of traffic or change signal timing, while this in turn could have negative impacts on pedestrians or transit. By eliminating LOS as an analytical metric under CEQA and focusing instead on impacts to the City's overall, multimodal transportation system, the City brings its practices into greater alignment with its policy goals.

Additionally, the TSP creates a comprehensive fee and expenditure program to offset development's impacts on the City's transportation system. By analyzing the transportation system impacts from twenty years of future development and coupling that with an impact fee, the TSP provides the ability for future development to pay the impact fee and, by so doing, to address development's cumulative impact on the system. In practice, this means that under the TSP, development projects may no longer be required to conduct transportation impact studies (other than to consider site-design issues that create transportation conflicts), and importantly, the City will be able to fund a \$1.4 billion package of high-impact, cost-efficient transportation system improvements. These improvements mitigate the cumulative impacts of future development. The TSP is the first program in San Francisco which integrates impact fees with the CEQA process such that the fee paid serves to mitigate the cumulative environmental impacts identified under CEQA¹.

PROGRAM HISTORY

In 2003, the Board of Supervisors, acting as the Transportation Authority Board, requested an analysis of alternatives to the use of LOS as a transportation impact metric, recognizing the limitations of LOS as a measure of transportation impact in San Francisco. In 2007, the San Francisco County Transportation Authority (SFCTA) completed a Strategic Analysis Report that recommended eliminating LOS and replacing it with an automobile trip generation measure, coupled with a mitigation fee. Subsequently, the City convened an interagency Steering Committee, comprised of the SFCTA, the San Francisco Municipal Transportation Agency (SFMTA), the Office of Economic & Workforce Development (OEWD), the City Attorney's Office, and the Planning Department. The Steering Committee was charged with recommending changes to CEQA analysis methodology and analyzing a fee and associated expenditure program which would meet the objectives of better aligning CEQA review with the City's policy goals and providing for a comprehensive program to offset development impacts. In 2009, the Steering Committee commissioned a nexus study² to determine the relationship of projected development to transportation system impacts, specifically to transit system impacts. The nexus study

¹The TSP EIR will determine the extent to which the proposed TSF and associated expenditure program may serve as a mitigation program. Until the EIR has analyzed this proposal, no mitigation program can be fully assumed.

² Draft *Transportation Sustainability Fee Nexus Study*, Cambridge Systematics, Inc. and Urban Economics

analyzed that relationship and established, consistent with the state Mitigation Fee Act³, potential fees which could be charged to development in order to offset the impacts of development on the transportation system as a whole. The draft nexus study is currently being finalized, and is anticipated to be available for public review in February 2012.

In 2009, City staff worked with the State Resources Agency, which sets the state's CEQA guidelines, in order to accommodate a shift away from LOS in San Francisco's transportation impact analyses. That year, the State Resources Agency amended the language of the CEQA guidelines to allow for use of LOS "or an alternative measure", clearing the way for the changes proposed under the TSP.

In 2010, using the Transportation Authority's San Francisco Chained Activity Modeling Process (SF-CHAMP) analytical tool, the effects of twenty years of development and various packages of currently planned or programmed transportation system improvements were modeled to measure citywide transportation system performance. This exercise allowed staff to identify the most cost-effective and highly-efficient system improvements to offset the cumulative impact of future development. Over the course of 2011, staff then worked with the consultant preparing the TSP nexus study to identify the fee program and representative expenditure package which would fund and implement the improvements identified during the modeling phase. In the past year, staff also established the framework under which environmental review of the TSP will be conducted, initiated public outreach on the program, and began efforts to draft legislation to enable the TSP.

CHANGE TO TRANSPORTATION IMPACT ANALYSIS METHODOLOGY UNDER CEQA

Issues with the Existing Methodology

The TSP proposes to harmonize CEQA analysis with the City's *Transit First* policy by eliminating LOS as a transportation impact analysis metric, and by placing greater emphasis on development's impacts to transit. Statewide, transportation significance standards have conventionally focused on automobile traffic LOS. In San Francisco, transit crowding and delays to transit as well as effects on bicyclists, pedestrians and loading have also been utilized as the bases for making transportation impact significance determinations. In the absence of local ordinances establishing citywide, comprehensive transportation impact fees, no systematic mechanism has existed in San Francisco to comprehensively address significant transportation impacts identified in the Planning Department's environmental documents. Localized transportation impacts have been addressed on a project-by-project basis; however, no citywide financial method of addressing overall transportation system-level improvements exists.

³ California Government Code Section 66000 et seq.

Moreover, the most readily identifiable impacts, traffic LOS at intersections, often cannot be feasibly mitigated due to the limitations of constrained public rights-of-way. In addition, many public rights-of-way in San Francisco are shared to a substantial extent by autos, transit, bicycles, pedestrians, and loading activities. Thus, even when traffic mitigation measures may be feasible, there are trade-offs with impacts to other modes of travel and potentially conflicts with the General Plan's multimodal transportation policies. These trade-offs are frequently not captured by the LOS methodology.

Finally, the existing impact analysis methodology may result in proposed mitigations which place the burden of a failing intersection on a single development project, when the cumulative effect of development over time has contributed to that intersection's performance. For example, if a development project pushes an intersection from LOS D to LOS E, that project is likely required to provide mitigations, whereas prior development projects which contributed to those conditions may or may not have been required to address their impacts. This presents a "last-in" problem; a citywide fee paid by all development to offset their proportionate impacts would provide a more equitable approach to offsetting impacts.

Change to the Current Methodology

The quantitative cornerstones of the San Francisco Planning Department's existing evaluations of transportation impacts in its CEQA documents are traffic LOS, a transit crowding threshold, and excessive delays affecting transit service. With the proposed elimination of the traffic LOS significance standard, the centerpieces of CEQA quantitative transportation impact analyses in San Francisco would become transit crowding and delays to transit.

More specifically, currently, the transportation impacts of new projects within San Francisco are evaluated using a trip generation and level of service (LOS) model as well as a Muni Screenline and transit delay analysis for vehicle and transit impacts, respectively. Using the trip generation/LOS model the number of vehicle trips generated by a project is estimated and assigned to the local roadway network. Intersections that could be affected by the new development are identified, based on the distribution of new vehicle trips, and the LOS at those intersections is calculated with and without the project. The traffic impact of the project is then evaluated according to the following criterion, which constitutes the "Traffic Significance Standard":

The operational impacts on signalized intersections are considered significant when project-related traffic causes the intersection level of service to deteriorate from LOS D or better to LOS E or LOS F, or from LOS E to LOS F. The project may result in significant adverse impacts at intersections that operate at LOS E or LOS F under Existing Conditions depending upon the magnitude of the project's contribution to worsening average delay. In addition, the project would have a significant adverse

impact it if would cause major traffic hazards, or would contribute considerably to the cumulative traffic increases that would cause the deterioration in levels of service to unacceptable levels.

Consistent with the CEQA Guidelines, if significant impacts are identified, mitigation measures are proposed for adoption. However, the mitigation measures typically identified to mitigate intersection LOS levels are becoming less feasible due to physical constraints on the roadway network. Numerous Transportation Impact Studies as well as analysis performed by the SFMTA reveal that many City intersections currently operate at unacceptable LOS E or worse during the peak hours⁴ and that during the 20-year planning horizon the number of City intersections that would operate below LOS E is expected to substantially increase.

The TSP recognizes that intersection LOS in many locations is unacceptable under the existing criterion and cannot be mitigated, except through a reduction in the number of vehicles on the network. Moreover, the TSP recognizes that the LOS metric does not reflect the City's policy objectives nor does it fully capture development's impacts on the transportation system as a whole. Therefore, the Traffic Significance Standard would be replaced with the following⁵:

The project would have a significant adverse impact if it would conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including, but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit.

Focusing the transportation significance standard on impacts affecting transit crowding and delays would align the City's CEQA determinations with the metrics utilized to calculate the impacts of new development under the TSP. Accordingly, the categories of improvement projects identified in the TSP, if implemented, could have the benefit of addressing citywide transportation system performance impacts of new development within the CEQA context.

Effect on Projects

⁴ Peaks hours generally occur on weekdays between 7 a.m. and 9 a.m., and 4 p.m. and 6 p.m., and on Saturday midday.

⁵ Based on the CEQA Appendix G Environmental Checklist Form, California Environmental Quality Act (CEQA) Guidelines, 2011.

Because the TSP EIR will study the cumulative transportation system impacts of twenty years of future development, under the TSP the majority of individual development projects will no longer be required to conduct transportation studies as part of their environmental review. For those projects currently required to complete an EIR solely due to cumulative transportation issues, this change is likely to result in considerable cost and time savings. In addition, because all net new development will be required to pay the proposed Transportation Sustainability Fee (discussed in detail below) in order to offset their impacts, project-specific analysis will be limited to site-design issues such as loading docks, curb cuts, and pedestrian and bicycle safety. Some large-scale projects, typically those of such scale that a development agreement is likely, are anticipated to require more extensive transportation impact analyses and, potentially, unique mitigations.

In the majority of cases, transportation projects will not require transportation impact analysis under the TSP. Transportation projects typically do not have an environmental impact as measured by transit delay and transit crowding. For example, Bus Rapid Transit projects are designed to provide additional operating capacity and to speed transit travel times, and as such would not conflict with the transit delay or transit crowding metrics. In some limited cases where a project generates corridor-level impacts which result in a significant and sustained disruption to transit service, transportation impact analysis may be required. Potential triggers include projects which reduce roadway capacity on a transit street or which create operational conflicts with transit.

TRANSPORTATION SUSTAINABILITY FEE (TSF)

Overview

The TSF would enable new development⁶ to alleviate its burden on citywide transit performance by funding categories of transportation projects shown to directly offset the impacts of growth from new development. During the development of the TSP, the City utilized state-of-the-art transportation demand modeling to quantify the impacts of new development on citywide transit performance. City transportation planners identified categories of transportation system improvements and representative projects targeted to offset these impacts and that would be eligible for funding through the TSF. The improvements identified were then modeled in order to quantify the effects of the TSF-funded projects on citywide transportation system performance. The TSF would not, however, serve as the sole source of funding for TSF-eligible projects.

⁶ The draft *Transportation Sustainability Fee Nexus Study* estimates that approximately half of new development occurring over the next twenty years would be exempt from TSF because it is either underway or subject to a separate transportation impact fee (i.e., Candlestick Point- Hunter's Point Shipyard Phase II, Parkmerced, and Treasure Island).

Transportation funding in San Francisco has historically relied on federal and, to a lesser extent, state assistance. Funding from these sources has steadily deteriorated relative to local needs for several decades. In response, local funding has accounted for an increasing share of support for transportation. For example, local property taxes and parking revenues account for nearly half of transit operating costs for the SFMTA. Three other local funding sources already exist to help fund transportation improvement projects: the Transit Impact Development Fee (TIDF) dedicated to the SFMTA; a one-half percent increment to local sales taxes utilized by the SFCTA to support voter-approved transportation programs (commonly referred to as “Proposition K”); and the transportation component of the Community Infrastructure Impact Fees created as part of the Market & Octavia and Eastern Neighborhoods plans, which funds transportation improvements in those geographical areas. The TSF would replace or constitute a credit against payment of TIDF and/or the Community Infrastructure Impact Fees in order to avoid double charging for transit impacts of new development.

TIDF was enacted by local ordinance in 1981 and originally applied only to new downtown office space. TIDF was extended to apply to many commercial uses citywide in 2004. TIDF fees are collected based on a per square foot charge for net new commercial space, with the fee ranging from \$9.34 to \$11.68 per square foot of space. TIDF has never been authorized to be collected at levels commensurate with the full range of transportation needs and generally has not been programmed to optimize access to other potential transportation funding sources. TIDF has not been applied to residential uses.

In addition to TIDF, a one-half percent increment to the sales tax to support transportation was initially approved by voters in 1989, and the program has been administered since its outset by SFCTA. Much of the revenue from the original sales tax increment was programmed to implement numerous unmet transportation capital needs which had accumulated during the 1980s. SFCTA uses dedicated sales tax revenues as local share matches for federal funds and to support transportation needs included in the Proposition K Expenditure Plan, as well as to fully fund those projects not addressed by other funding sources. The one-half percent sales tax increment for transportation was reauthorized in 2003, and its scope was extended to address additional transportation needs such as traffic calming and new capital infrastructure priorities emerging from the 2004 Countywide Transportation Plan, such as Bus Rapid Transit.

The proposed TSF would supplement existing local transportation funding sources and focus new funding on a program of transportation improvements designed to more effectively address transportation impacts associated with new development. In common with TIDF, TSF would be based on fees on new development but would be extended to include residential uses and be calibrated to support specific transportation improvements needed to address the citywide effects of development on transportation system performance. Revenues from TSF would be allocated in a fashion similar to the existing local one-half percent sales tax increment, which have been effectively used as local share matches to leverage other transportation funding sources. The dedicated local sales tax increment for transportation is tied to retail sales and indirectly mirrors general economic conditions but has no direct linkage to needs generated by new development. The proposed TSF would be programmed in combination with dedicated local sales tax increment revenues to enhance access to federal and other state, local, and private sources of funding.

Proposed Fees

The table below provides the currently proposed TSF rates. As noted, unlike the existing TIDF, the TSF is proposed to apply to residential uses in addition to commercial uses. Residential uses have considerable impacts on the transportation system, and the City's ability to effectively offset system-wide impacts relies on contributions from each type of development that contributes to those impacts. Because transit, bicycle, and pedestrian projects do not have negative environmental impacts on the transportation system as measured under the TSP, those projects are not subject to the TSF.

Economic Activity Category	TSF Per Sq. Ft.
Residential	\$5.53
<i>Nonresidential</i>	
Management, Information & Prof. 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

The proposed fee rates derive from the draft *Transportation Sustainability Fee Nexus Study* and are based both on each development type's proportionate impact to the transportation system, and on a financial feasibility analysis conducted in conjunction with the nexus study. The fees as proposed are lower than the overall fee levels that are justifiable under the Mitigation Fee Act. As with any fee, the TSF's impact to financial feasibility varies according to individual project characteristics. However, the proposed fee rates are established at levels intended to sustain residual land values across development categories. Because the TSP cannot be adopted until environmental review is complete – currently anticipated for late 2013 – and economic conditions change over time, staff will reanalyze financial feasibility before proposing final TSF rates.

TSF's Relationship to TIDF and Plan Area Impact Fees

As noted above, TSF will supplant TIDF once the TSF is adopted. Until that time, TIDF will continue to serve as the City's mechanism for addressing development impacts on the transportation system. As such, the SFMTA anticipates proposing an update to TIDF in the spring of 2012. The proposed TIDF update will simplify fee collection procedures and bring land use definitions identified in the TIDF into conformity with those used in the Plan Area impact fees. Modest increases to most nonresidential land uses are likely to be proposed, bringing those rates into alignment with the rates proposed under TSF. (One notable exception is the fee for Production, Distribution, and Repair, which is expected to decrease under both an updated TIDF and the TSF.) The update will not extend TIDF to residential uses. In addition, the proposed TIDF update will meet the City's legal requirement to update the nexus study underlying the TIDF; state law requires nexus study updates every five years.

Both the Market & Octavia Plan and the Eastern Neighborhoods Plan contained Community Infrastructure Impact Fees, which are collected on all land uses, including residential. These fees fund improvements to a variety of public amenities, such as open space, childcare facilities, and the transportation system. In both Plan Areas, the fees are legislated to provide a credit in the case of imposition of a new citywide fee addressing a particular public benefit category. Therefore, in both the Market & Octavia and Eastern Neighborhoods plan areas, the transportation-specific component of the Community Infrastructure Impact Fees will be reduced to accommodate collection of the TSF. In cases where the TSF is greater than the portion of the Community Infrastructure Impact Fee directed to transportation, developers will be required to pay the net difference between the two. In cases where the transportation component of the Community Infrastructure Impact Fee is greater than the TSF, the difference in the amount collected will be directed to the Community Infrastructure Impact Fee for plan area-specific improvements.

TSP EXPENDITURE PLAN

The TSF is anticipated to generate \$630 million over twenty years. That revenue will be used to leverage an additional \$820 million in other local, state, and federal transportation revenues to fund a \$1.4 billion expenditure program. As discussed above, during development of the TSP City planners identified a set of highly-efficient and cost-effective improvements to the transportation system which will offset the impact of twenty years of development activity on that system. These improvements were extensively modeled and will be further analyzed under the TSP EIR. (However, no transportation projects will be cleared through the EIR.) Because the TSP expenditure program has to meet the criteria of the state Mitigation Fee Act and must serve as a mitigation program under CEQA, the program is constrained to those projects which show the greatest positive impact on the transit delay and transit crowding metrics described above.

The following table provides the TSP project categories and the share of the TSF that will be allocated to each category. It should be noted that the specific projects identified under each category are representative projects; it is understood that the exact makeup of projects under each category will change over time.

Project Category	Percentage Share
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	<1%

The largest share of TSF revenues are directed to Category A, *Transit Headway Improvements and Service Expansions*. This category of projects directly addresses transit delay and transit crowding impacts by providing enhanced transit service. However, the routes on which funding may be spent are constrained to those which have the greatest impact on the transportation system as a whole. Currently envisioned projects under this category include frequency increases on individual transit lines; purchasing new vehicles; expanding transit facilities to accommodate new rolling stock; and preventive maintenance to support service expansion.

Category B, *Transit Reliability Improvements*, encompasses major capital projects providing for dedicated right-of-way, such as Bus Rapid Transit projects on Geary Boulevard and Van Ness Avenue. It also includes Rapid Network travel time improvements as identified in the draft *Transit Effectiveness Project Implementation Strategy*, and improvements to Market Street.

The third category of projects, *Regional Transit Improvements*, funds a portion of San Francisco's share of costs for Bay Area Rapid Transit (BART) and Caltrain improvement projects that increase capacity or reduce travel times. The TSP recognizes that regional carriers are part of the City's transportation system and that they are impacted by development growth. The representative projects in this category include BART car renovations to accommodate more peak hour passengers and Caltrain electrification.

Bicycle, Pedestrian, and Pricing Programs to Shift Mode Share constitute a set of "demand management" programs aimed at improving circulation by shifting mode share away from single occupancy vehicles. These programs include bicycle and pedestrian network improvements and parking demand and pricing initiatives.

Finally, the expenditure program allocates less than one percent of total funding to TSF Program Implementation. The expenditure program explicitly does not fund program administration; however, it does allow the City to recover its costs associated with preparing the TSP EIR.

IMPLEMENTATION

Under the TSP, the TSF and associated expenditure program will be administered consistent with the City's existing capital programming process. The TSP establishes a Steering Committee, comprised of the Planning Department, the SFMTA, and the SFCTA, which will program TSF revenues to priority projects every two years. Projects will be included in individual departments' budgets, with review and approval by the relevant policy bodies. Projects will also be included in the City's Capital Plan, which is reviewed and approved by the Board of Supervisors on an annual basis. Information on the use of TSF funds will be brought to the Market & Octavia and Eastern Neighborhoods Citizens Advisory Committees (CACs) on a regular basis through the Interagency Plan Implementation Committee (IPIC) process, so that plan area-specific programming is done in coordination with the TSF process.

Every five years the TSP environmental review and TSF nexus study will be updated to reflect current development projections, to refresh the underlying nexus, and to ensure that the expenditure program continues to mitigate development's impacts. Because the TSF is likely to leverage a significant amount of Proposition K (sales tax increment) funding, and because the TSP expenditure program must comprehensively meet the impacts of development on the transportation system and therefore constitutes an important component of the City's overall transportation planning, the Board of Supervisors, acting as the Transportation Authority Board, will review the TSP expenditure program every five years in coordination with its five-year Proposition K fund programming process. The Board will make recommendations on the use of TSF funds, taking into account the City's comprehensive transportation needs and investment plans.

ISSUES AND CONSIDERATIONS

Policy Discounts

The TSP expenditure program includes approximately \$40 million in potential policy discounts over a twenty year period. The Program aims to support desirable programs and/or policy outcomes by providing a reduction to or waiver from the TSF. Through development of the TSP and in response to stakeholder outreach, staff has currently delineated the following as potential recipients of fee reductions or waivers:

- Graduated fee discounts (up to 100%) for projects which build less than the maximum allowed parking in those Zoning Districts with such maximums
- Fee waivers (up to 100%) for non-formula retail small businesses using existing vacant space less than 5,000 square feet
- Fee waivers (up to 100%) for affordable housing

Application of a discount program will depend upon the makeup of uses which are ultimately eligible for the discounts. The current proposal would apply discounts similar to the "Prop M" office allocation model, in which a certain value of discounts is available in any five-year period, and the discounts are applied on a first-come, first-served basis. However, identifying the appropriate program administration will be dependent on first identifying which projects and/or policies will be supported through a discount program.

Staff seeks the Commission's guidance on the proposed discount program. Specifically, we request feedback on which, if any, land uses, programs, and/or policies should be supported through application of this program, and the relative priority of those projects and policies. It should be noted that the discount program cannot exceed \$40 million over twenty years without putting at risk the ability of the expenditure program to effectively mitigate development impacts.

CEQA Methodology's Focus on Transit

As discussed above, the proposed change to the way in which San Francisco analyzes transportation impacts under CEQA focuses on impacts to transit and eliminates the use of automobile LOS. Staff recognizes that bicycles and pedestrians are also an important part of San Francisco's multimodal policies and that systematically improving these modes is in line with San Francisco's adopted policies. Despite extensive research, City planners are as yet unable to quantitatively measure the impact of bicycle and pedestrian projects on the transportation system as a whole. This may change in the near term, as the SFCTA is in the process of updating its SF-CHAMP model to represent the impact of bicycle and pedestrian network projects on demand for these modes. If the TSP is adopted as proposed, potential changes to the program to elevate bicycle and pedestrian concerns may be possible in the future, as a deeper analytical foundation is developed.

TIMELINE

The TSP will require completion of an EIR before it can be adopted, in order to ensure its defensibility. The analytical work required as part of the EIR is likely to take 18 – 24 months, and as such, it is unlikely that a TSP could be adopted earlier than fall or winter of 2013. The TSP EIR will use as one of its bases the draft ordinance which will enable the TSP. This ordinance is currently being drafted and may be introduced as early as February 2012. Once the ordinance is introduced, it will be held at the Board of Supervisors until environmental review is completed. After environmental review is completed, the ordinance will be amended as needed and will then be referred to the Planning Commission according to standard protocols. Staff will provide updates to the Commission as the EIR progresses and if significant adjustments are made to the proposed TSP.

Staff initiated stakeholder outreach on the TSP in November 2011 and held briefings with a variety of interested parties, including the following:

- San Francisco Planning & Urban Research (SPUR), Housing Policy Committee
- San Francisco Housing Action Coalition (SF HAC)
- Council on Community Housing Organizations (CCHO)
- Residential Builders Association (RBA)
- San Francisco Building Trades
- San Francisco Bicycle Coalition
- Walk SF
- Transform
- Eastern Neighborhoods CAC

Staff continues to hold outreach meetings, and is scheduled to brief the Market & Octavia CAC on January 25, 2012, as well as the SFMTA CAC and the SFCTA CAC in February 2012. Staff presented the proposed TSP to the City's Capital Planning Committee on January 9, 2012.

The presentation of the TSP to the Planning Commission on January 26, 2012 marks the introduction of the proposal to the City's policy boards. Staff will present the item to the SFMTA Board of Directors on February 7, 2012; to the Transportation Authority Board's Plans and Programs Committee on February 14, 2012; and to the Small Business Commission on February 14, 2012. A presentation is also being scheduled for the Land Use Committee of the Board of Supervisors.

As the TSP EIR progresses, staff will continue to conduct outreach and provide updates to interested parties. In addition, as noted above, staff anticipates updating the financial feasibility analysis developed as part of the nexus study closer to the time when the draft ordinance will be considered for adoption, to ensure that the proposed TSF rates are consistent with current economic conditions. Finally, the ordinance will come before the Planning Commission prior to adoption, for the Commission's review.