



SAN FRANCISCO PLANNING DEPARTMENT

Executive Summary Planning Code Text Change

HEARING DATE: DECEMBER 9, 2010

Project Name: **Amendments relating to the Visitacion Valley Community Facilities and Infrastructure Fee and Fund**

Case Number: 2010.0863T [Board File No. 10-1247]

Initiated by: Supervisor Maxwell / Introduced September 28, 2010

Staff Contact: Kate McGee, Planner
Kate.McGee@sfgov.org, 415-558-6367

Reviewed by: Sarah Dennis, Plan Manager
Sarah.Dennis@sfgov.org, 415-558-6314

Recommendation: **Recommend Approval**

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PLANNING CODE AMENDMENT

The proposed Ordinance would amend the Visitacion Valley Community Facilities and Infrastructure Fee and Fund Code Sections 420.1 (Findings), 420.2 (Definitions), 420.3 (Application), 420.4 (Imposition of Requirements), 420.5 (Visitacion Valley Community Facilities and Infrastructure Fund) to update the Visitacion Valley Community Facilities and Infrastructure Fee and Fund and to conform the program with other Area Plan fee programs.

This item was continued from the Planning Commission's Regular Meeting on November 18, 2010. At that hearing, several amendments were discussed, and there was concern that more time was required to digest those amendments. Since that hearing, those amendments have been incorporated into the proposed Ordinance (attached as Exhibit B), and no additional amendments have been made .

The Way It Is Now:

- All monies collected by the treasurer are deposited into a fund and maintained by the Controller. City agencies responsible for the construction or improvement of public infrastructure subject to this ordinance are required to request funds from the Board of Supervisors as necessary.
- The fee is charged on the net addition of occupiable square feet of residential use, including affordable housing.
- The fee supports recreation and parks, library facilities, community facilities, and streetscape improvements. The allocation of fees is specified in the ordinance, and contributes to the development of a neighborhood playground, pool, and outdoor education center, a new library, the development of community spaces available for public uses, Blanken Avenue sidewalk widening and lighting improvements, and Leland Avenue streetscape improvements (phase 2).
- Credits for in-kind improvements are given for providing on-site community facilities and improvements to Blanken Avenue. The project sponsor shall receive a credit against the Fee of \$535 per square foot of community facilities space, provided that such credit shall not exceed \$2.24 multiplied by the net addition of occupiable square feet of residential use in the residential development project.

The Way It Would Be:

The proposed ordinance would update the Visitacion Valley Community Facilities and Infrastructure Fee and Fund to conform the program to other Area Plan fee programs, specifically:

- Monies would be paid to the Development Fee Collection Unit at the Department of Building Inspection and deposited into the Visitacion Valley Community Facilities and Infrastructure Fee and Fund. City agencies would request allocations from the fund through the Interagency Plan Implementation Committee (IPIC), and the fund would be administered by the Board of Supervisors.
- The fee would not apply to affordable housing units (affordable to households at and below 80% AMI) that are subsidized by the Mayor's Office of Housing, the Redevelopment Agency, or the Housing Authority.
- The fee would continue to support recreation and parks, library facilities, community facilities, and streetscape improvements, and would also include child care, and other transportation needs. The allocation of the fee to these areas is determined according to the nexus amount established per square foot.
- The revised Ordinance includes an option for providing in-kind improvements in accordance with the Commission Policy adopted on September 9, 2010 regarding approval criteria, valuation, content of agreement, approval process, and administrative costs.
 - Credits for in-kind improvements can now be given for any improvement type supported by the fee, not just on-site community facilities and improvements to Blanken Avenue.
 - Projects sponsors (for projects with an environmental application filed on or before November 18, 2010) shall receive a credit not to exceed \$1.12 per occupiable square foot of residential use for on-site community facilities or child care facilities. With Commission approval, project sponsors may continue to receive the previous credit of up to \$2.24 per occupiable square foot of residential use for community facilities or childcare.
- The revised Ordinance is also supported by an updated analysis, the *Visitacion Valley Nexus Study* (October 2010), attached, Exhibit C.

ISSUES TO NOTE

One subject of particular discussion at the previous hearing was the in-kind credit for providing on-site community facilities. As mentioned above, for projects that filed an environmental application before November 18, 2010, the previous in-kind contribution used to permit up to 50% of the fee requirement to be credited towards the provision of community facility space as-of-right (i.e. without Commission approval). This current proposal amends the as-of-right in-kind contribution for community facilities to a maximum of 25%, but enables a credit of up to 100% with neighborhood support and Commission approval. It also expands the categories that are eligible for in-kind agreements with neighborhood support and Commission approval to any improvements covered by the fee ordinance. This amendment brings in-kind agreements in Visitacion Valley more in line with the in-kind procedures adopted by the Planning Commission in September, by giving the community and the Planning Commission more

oversight in the allocation of improvements and funds, and by expanding the categories to which credit could be applied.

REQUIRED COMMISSION ACTION

The proposed Ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

Minor technical changes to the legislation should be expected in order to correct any errors prior to being at the Board of Supervisors for adoption.

RECOMMENDATION

The Department recommends that the Commission recommend *approval* of the proposed Ordinance and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The proposed Planning Code text amendments and the updated nexus study reflect the most up-to-date data while building on the city's existing plans and programs created since the establishment of the Visitacion Valley Community Facilities and Infrastructure Fee and Fund 2005. Generally, these amendments update the fund so that it is coordinated with other fee programs in the city. For example, the change in administration of the fee (paid to the Department of Building Inspection prior to issuance of first construction document), and would bring the fee in line with other programs.

Additionally, this update expands the opportunity for developers to provide in-kind improvements in the area. The option to enter into an in-kind agreement allows the developer to provide improvements to any of the areas of public infrastructure mentioned above, rather than the limited Blanken Avenue street widening improvement or provision of community facility space, as described in the original ordinance. It also, however, enables the community and the Planning Commission more oversight in granting these in-kind agreements, to ensure that the facilities provided are truly of value to the community.

Lastly, the required nexus study has also been updated to clearly illustrate the amount of public facilities and improvements needed to accommodate the demand generated by new development in the Fee Area, per California legislative requirements.

By updating and coordinating this program with others in the city, it is expected that the administration and application of the Visitacion Valley fee and fund will be improved, which in turn will assist in the implementation of the public infrastructure needed to serve the area.

ENVIRONMENTAL REVIEW

The proposal to amend Planning Code Sections 420.1 (Findings), 420.2 (Definitions), 420.3 (Application), 420.4 (Imposition of Requirements), 420.5 (Visitacion Valley Community Facilities and Infrastructure Fund) to update the Visitacion Valley Community Facilities and Infrastructure Fee and Fund would have no physical impact on the environment. The proposed amendment is exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines.

PUBLIC COMMENT

As of the date of this report, the Planning Department has not received any comments in with regard to the proposed Ordinance.

RECOMMENDATION: Recommendation of Approval
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Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 10-1247
- Exhibit C: Visitacion Valley Nexus Study



SAN FRANCISCO PLANNING DEPARTMENT

Draft Planning Commission Resolution

HEARING DATE: DECEMBER 9, 2010

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Case Number: 2010.0863T [Board File No. 10-1247]

Initiated by: Supervisor Maxwell / Introduced September 28, 2010

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RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND THE VISITACION VALLEY COMMUNITY FACILITIES AND INFRASTRUCTURE FEE AND FUND CODE, INCLUDING SECTIONS 401 (DEFINITIONS), 406 (WAIVER, REDUCTION, OR ADJUSTMENT OF DEVELOPMENT PROJECT REQUIREMENTS), 420.1 (FINDINGS), 420.2 (DEFINITIONS), 420.3 (APPLICATION), 420.4 (IMPOSITION OF REQUIREMENTS), 420.5 (VISITACION VALLEY COMMUNITY FACILITIES AND INFRASTRUCTURE FUND) TO UPDATE THE VISITACION VALLEY COMMUNITY FACILITIES AND INFRASTRUCTURE FEE AND FUND AND TO CONFORM THE PROGRAM WITH OTHER AREA PLAN FEE PROGRAMS.

PREAMBLE

Whereas, on September 28, 2010, Supervisor Maxwell introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 10-1247 which was amended and attached hereto as Exhibit B, which would amend the Visitacion Valley Community Facilities and Infrastructure Fee and Fund Code Sections 420.1 (Findings), 420.2 (Definitions), 420.3 (Application), 420.4 (Imposition of Requirements), 420.5 (Visitacion Valley Community Facilities and Infrastructure Fund) to update the Visitacion Valley Community Facilities and Infrastructure Fee and Fund and to conform the program with other Area Plan fee programs; and

WHEREAS, the City adopted the Visitacion Valley Community Facilities and Infrastructure Fee and Fund in 2005; and

WHEREAS, the Planning Code text amendments and the updated nexus study reflect the most up-to-date data while building on the city's existing plans and programs; and

WHEREAS, the updated Visitacion Valley Community Facilities and Infrastructure Fee and Fund would conform with other Area Plan fee programs; and

WHEREAS, the required nexus study has also been updated to clearly illustrate the amount of public facilities and improvements needed to accommodate the demand generated by new development in the Fee Area, per California legislative requirements; and

WHEREAS, the fee supports parks and recreation, a library facility, child care, transportation improvements, and community facilities. The allocation of the fee to these areas is determined according to the nexus amount established per square foot; and

WHEREAS, the proposed modifications expand the opportunity for developers to provide in-kind improvements in the area; and

WHEREAS, the proposed modifications waive affordable housing units from paying the impact fee. For the purpose of this waiver, affordable housing units are defined as affordable at or below 80%, and subsidized by the Housing Authority, MOH, and the SFRA. This amendment applies to all Area Plan impact fees ; and

WHEREAS, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 9, 2010; and

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c)(2); and

WHEREAS, the Commission has heard and considered the testimony presented to it at two public hearings, dated November 18th, and December 9th, and has further considered written materials and oral testimony presented on behalf of Department staff and other interested parties; and

WHEREAS, that 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, minor technical changes to the legislation should be expected in order to correct any errors prior to being at the Board of Supervisors for adoption; and

WHEREAS, the Commission approves the proposed Ordinance by Supervisor Maxwell, which was later amended, and described in the staff report dated December 9, 2010; and

MOVED, that the Commission hereby recommends that the Board of Supervisors recommends *approval of the proposed Ordinance* and adopts the attached Draft Resolution to that effect.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on December 9, 2010.

Draft Resolution No.
Hearing Date: December 9, 2010

CASE NO. 2010.0863T
Visitacion Valley: Impact Fee and Fund

Linda Avery
Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED: December 9, 2010

1 [Planning Code –The Visitacion Valley Community Facilities and Infrastructure Fee and Fund.]

2

3 **Ordinance amending Planning Code Sections 420.1 through 420.5 to update the**

4 **Visitacion Valley Community Facilities and Infrastructure Fee and Fund and to conform**

5 **the program with other Area Plan fee programs; making conforming changes to**

6 **Sections 401 (definitions); and making changes to Section 406 (waiver, reduction, or**

7 **adjustment of development project requirements) related to the criteria for the waiver of**

8 **Plan Area fees (including the Rincon Hill Community Infrasture Impact Fee, the Market and**

9 **Octavia Community Improvements Impact Fee, the Eastern Neighborhoods Infrastructure**

10 **Impact Fee, the Balboa Park Impact Fee and the Visitacion Valley Community Facilities and**

11 **Infrastructure Impact Fee) in all Plan Areas for affordable housing units; and making**

12 **findings, including environmental findings.**

13 NOTE: Additions are *single-underline italics Times New Roman*;

14 deletions are ~~*strike-through italics Times New Roman*~~.

15 Board amendment additions are double-underlined;

Board amendment deletions are ~~strikethrough normal~~.

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

17 Section 1. Findings. The Board of Supervisors hereby finds that:

18 A. The Planning Department has determined that the actions contemplated in this

19 ordinance comply with the California Environmental Quality Act (California Public Resources

20 Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of

21 Supervisors in File No. _____ and is incorporated herein by reference.

22 B. Pursuant to Section 302 of the Planning Code, the Board finds that this

23 ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in

24 Planning Commission Resolution No. _____ and the Board incorporates such reasons

25

1 herein by reference. A copy of Planning Commission Resolution No. _____ is on file
2 with the Board of Supervisors in File No. _____.

3 C. This ordinance is in conformity with the General Plan and the Priority Policies of
4 Planning Code Section 101.1 for the reasons set forth in Planning Commission Resolution No.
5 _____ and the Board incorporates those findings herein by reference.

6 Section 2. The San Francisco Planning Code is hereby amended by amending
7 Sections 401, 406, and 420.1 through 420.5, to read as follows:

8 **SEC. 401. DEFINITIONS.** ~~(a)~~ In addition to the specific definitions set forth elsewhere
9 in this Article, the following definitions shall govern interpretation of this Article:

10 ~~(1)~~—"Affordable housing project." A housing project containing units constructed to
11 satisfy the requirements of Sections 413.5, 413.8, 415.4, or 4.5.5 of this Article, or receiving
12 funds from the Citywide Affordable Housing Fund.

13 ~~(2)~~—"Affordable to a household." A purchase price that a household can afford to pay
14 based on an annual payment for all housing costs of 33 percent of the combined household
15 annual net income, a 10 percent down payment, and available financing, or a rent that a
16 household can afford to pay based on an annual payment for all housing costs of 30 percent
17 of the combined annual net income.

18 ~~(3)~~—"Affordable to qualifying households":

19 (A) With respect to owned units, the average purchase price on the initial sale of all
20 affordable owned units in an affordable housing project shall not exceed the allowable
21 average purchase price. Each unit shall be sold:

22 (i) Only to households with an annual net income equal to or less than that of a
23 household of moderate income; and

24 (ii) At or below the maximum purchase price.
25

1 (B) With respect to rental units in an affordable housing project, the average annual
2 rent shall not exceed the allowable average annual rent. Each unit shall be rented:

3 (i) Only to households with an annual net income equal to or less than that of a
4 household of lower income;

5 (ii) At or less than the maximum annual rent.

6 ~~(4)~~—"Allowable average purchase price":

7 (A) For all affordable one-bedroom units in a housing project, a price affordable to a
8 two-person household of median income as set forth in Title 25 of the California Code of
9 Regulations Section 6932 ("Section 6932") on January 1st of that year;

10 (B) For all affordable two-bedroom units in a housing project, a price affordable to a
11 three-person household of median income as set forth in Section 6932 on January 1st of that
12 year;

13 (C) For all affordable three-bedroom units in a housing project, a price affordable to
14 a four-person household of median income as set forth in Section 6932 on January 1st of that
15 year;

16 (D) For all affordable four-bedroom units in a housing project, a price affordable to a
17 five-person household of median income as set forth in Section 6932 on January 1st of that
18 year.

19 (1) "Affordable to qualifying middle income households":

20 (A) With respect to owned units, the average purchase price on the initial sale of all
21 qualifying middle income units shall not exceed the allowable average purchase price deemed
22 acceptable for households with an annual gross income equal to or less than the qualifying
23 limits for a household of middle income, adjusted for household size. This purchase price shall
24 be based on household spending of 35% of income for housing, and shall only apply to initial
25 sale, and not for the life of the unit.

1 (B) With respect to rental units, the average annual rent--including the cost of
2 utilities paid by the tenant according to the HUD utility allowance established by the San
3 Francisco Housing Authority -- for qualifying middle income units shall not exceed the
4 allowable average purchase price deemed acceptable for households with an annual gross
5 income equal to or less than the qualifying limits for a household of middle income, adjusted
6 for household size. This price restriction shall exist for the life of the unit.

7 ~~(5)~~—"Allowable average annual rent":

8 (A) For all affordable one-bedroom units in a housing project, 18 percent of the
9 median income for a household of two persons as set forth in Section 6932 on January 1st of
10 that year;

11 (B) For all affordable two-bedroom units in a housing project, 18 percent of the
12 median income for a household of three persons as set forth in Section 6932 on January 1st
13 of that year;

14 (C) For all affordable three-bedroom units in a housing project, 18 percent of the
15 median income for a household of four persons as set forth in Section 6932 on January 1st of
16 that year;

17 (D) For all affordable four-bedroom units in a housing project, 18 percent of the
18 median income for a household of five persons as set forth in Section 6932 on January 1st of
19 that year.

20 ~~(6)~~—"Annual gross income." Gross income as defined in CCR Title 25, Section 6914,
21 as amended from time to time, except that MOH may, in order to promote consistency with
22 the procedures of the San Francisco Redevelopment Agency, develop an asset test that
23 differs from the State definition if it publishes that test in the Procedures Manual.

24 ~~(7)~~—"Annual net income." Net income as defined in Title 25 of the California Code of
25 Regulations Section 6916.

1 ~~(8)~~—"Average annual rent." The total annual rent for the calendar year charged by a
2 housing project for all affordable rental units in the project of an equal number of bedrooms
3 divided by the total number of affordable units in the project with that number of bedrooms.

4 ~~(9)~~—"Average purchase price." The purchase price for all affordable owned units in
5 an affordable housing project of an equal number of bedrooms divided by the total number of
6 affordable units in the project with that number of bedrooms.

7 ~~(10)~~—"Balboa Park Community Improvements Fund." The fund into which all fee
8 revenue the City collects from the Balboa Park Impact Fee is deposited.

9 ~~(11)~~—"Balboa Park Community Improvements Program." The program intended to
10 implement the community improvements identified in the Balboa Park Area Plan, as
11 articulated in the Balboa Park Community Improvements Program Document on file with the
12 Clerk of the Board in File No. 090179.

13 ~~(12)~~ "Balboa Park Impact Fee." The fee collected by the City to mitigate impacts of
14 new development in the Balboa Park Program Area, as described in the findings in Section
15 422.1.

16 ~~(13)~~—"Balboa Park Program Area." The Balboa Park Plan Area in Figure 1 of the
17 Balboa Park Station Area Plan of the San Francisco General Plan.

18 ~~(14)~~—"Base service standard." The relationship between revenue service hours
19 offered by the Municipal Railway and the number of automobile and transit trips estimated to
20 be generated by certain non-residential uses, expressed as a ratio where the numerator
21 equals the average daily revenue service hours offered by MUNI and the denominator equals
22 the daily automobile and transit trips generated by non-residential land uses as estimated by
23 the TIDF Study or updated under Section 411.5 of this Article.

24 ~~(15)~~—"Base service standard fee rate." The TIDF that would allow the City to recover
25 the estimated costs incurred by the Municipal Railway to meet the demand for public transit

1 resulting from new development in the economic activity categories for which the fee is
2 charged, after deducting government grants, fare revenue, and costs for non-vehicle
3 maintenance and general administration.

4 ~~(16)~~—"Board" or "Board of Supervisors." The Board of Supervisors of the City and
5 County of San Francisco.

6 "Change of Use." A change of gross floor area from one category of use to another
7 category of use listed in the use table for the zoning district of the subject lot.

8 ~~(17)~~—"Child-care facility." A child-care facility as defined in California Health and
9 Safety Code Section 1596.750.

10 ~~(18)~~—"Child-care provider." A provider as defined in California Health and Safety Code
11 Section 1596.791.

12 ~~(19)~~—"City" or "San Francisco." The City and County of San Francisco.

13 ~~(23)~~—"Commission" or "Planning Commission." The San Francisco Planning
14 Commission.

15 ~~(24)~~—"Community apartment." As defined in San Francisco Subdivision Code Section
16 1308(b).

17 ~~(25)~~—"Community facilities." All uses as defined under Section 209.4(a) and 209.3(d)
18 of this Code.

19 ~~(26)~~—"Condition of approval" or "Conditions of approval." A condition or set of written
20 conditions imposed by the Planning Commission or another permit-approving or issuing City
21 agency or appellate body to which a project applicant agrees to adhere and fulfill when it
22 receives approval for the construction of a development project subject to this Article .

23 ~~(27)~~—"Condominium." As defined in California Civil Code Section 783.

24 ~~(28)~~—"Cultural/Institution/Education (CIE)." An economic activity category subject to
25 the TIDF that includes, but is not limited to, schools, as defined in Sections 209.3(g), (h), and

1 (i) and 217(f)-(i) of this Code; child care facilities; museums and zoos; and community facilities
2 , as defined in Sections 209.4 and 221(a)-(c) of this Code.

3 ~~(29)~~—"DBI." The San Francisco Department of Building Inspection, or its successor.

4 ~~(30)~~—"Dedicated." Legally transferred to the City and County of San Francisco,
5 including all relevant legal documentation, at no cost to the City.

6 ~~(31)~~—"Dedicated site." The portion of site proposed to be legally transferred at no cost
7 to the City and County of San Francisco under the requirements of this section.

8 ~~(32)~~—"Department" or "Planning Department." The San Francisco Planning
9 Department or the Planning Department's designee, including the Mayor's Office of Housing
10 and other City agencies or departments.

11 ~~(33)~~—"Designated affordable housing zones." For the purposes of implementing the
12 Eastern Neighborhoods Public Benefits Fund, shall mean the Mission NCT defined in Section
13 736 and the Mixed Use Residential District defined in Section 841.

14 ~~(34)~~—"Development fee." Either a development impact fee or an in-lieu fee. It shall not
15 include a fee for service or any time and material charges charged for reviewing or processing
16 permit applications.

17 ~~(35)~~—"Development Fee Collection Unit" or "Unit." The Development Fee Collection
18 Unit at DBI.

19 ~~(36)~~—"Development impact fee." A fee imposed on a development project as a
20 condition of approval to mitigate the impacts of increased demand for public services, facilities
21 or housing caused by the development project that may or may not be an impact fee
22 governed by the California Mitigation Fee Act (California Government Code Section 66000 et
23 seq.).

24 ~~(37)~~—"Development impact requirement." A requirement to provide physical
25 improvements, facilities or below market rate housing units imposed on a development project

1 as a condition of approval to mitigate the impacts of increased demand for public services,
2 facilities or housing caused by the development project that may or may not be governed by
3 the California Mitigation Fee Act (California Government Code Section 66000 et seq.).

4 ~~(38)~~—"Development project." Any change of use within an existing structure, addition
5 to an existing structure, or new construction, which includes any occupied floor area.

6 ~~(39)~~—"Development under the TIDF." Any new construction, or addition to or
7 conversion of an existing structure under a building or site permit issued on or after
8 September 4, 2004, that results in 3,000 gross square feet or more of a covered use. In the
9 case of mixed use development that includes residential development, the term "new
10 development" shall refer to only the non-residential portion of such development. "Existing
11 structure" shall include a structure for which a sponsor already paid a fee under the prior TIDF
12 ordinance, as well as a structure for which no TIDF was paid.

13 ~~(40)~~—"Director." The Director of Planning or his or her designee.

14 ~~(41)~~—"DPW." The Department of Public Works.

15 ~~(42)~~—"Eastern Neighborhoods Infrastructure Impact Fee." The fee collected by the
16 City to mitigate impacts of new development in the Eastern Neighborhoods Program Area, as
17 described in the Findings in Section 423.1

18 ~~(43)~~—"Eastern Neighborhoods Public Benefits Fund." The fund into which all fee
19 revenue collected by the City from the Eastern Neighborhoods Impact Fee is deposited.

20 ~~(44)~~—"Eastern Neighborhoods Public Benefits Program." The program intended to
21 implement the community improvements identified in the four Area Plans affiliated with the
22 Eastern Neighborhoods (Central Waterfront, East SoMa, Mission, and Showplace
23 Square/Potrero Hill), as articulated in the Eastern Neighborhoods Public Benefits Program
24 Document, on file with the Clerk of the Board in File No. 081155.)

1 ~~(45)~~—"Eastern Neighborhoods Program Area." The Eastern Neighborhoods Plan Area
2 in Map 1 (Land Use Plan) of the Eastern Neighborhoods Area Plan of the San Francisco
3 General Plan.

4 ~~(46)~~—"Economic activity category." Under the TIDF, one of the following six categories
5 of non-residential uses: Cultural/Institution/Education (CIE), Management, Information and
6 Professional Services (MIPS), Medical and Health Services, Production/Distribution/Repair
7 (PDR), Retail/Entertainment, and Visitor Services.

8 ~~(48)~~—"Entertainment use." Space within a structure or portion thereof intended or
9 primarily suitable for or accessory to the operation of uses defined in San Francisco Planning
10 Code Sections 102.17 (Nighttime Entertainment), 790.38 and 890.37 (Other Entertainment),
11 790.36 and 890.36 (Adult Entertainment), 790.64 and 890.64 (Movie Theater), and 790.4 and
12 890.4 (Amusement Arcade), regardless of the zoning district that the use is located in.

13 ~~(49)~~—"First certificate of occupancy." Either a temporary certificate of occupancy or a
14 Certificate of Final Completion and Occupancy as defined in San Francisco Building Code
15 Section 109A, whichever is issued first.

16 ~~(50)~~—"First construction document." As defined in Section 107A.13.1 of the San
17 Francisco Building Code.

18 ~~(51)~~—"Gross floor area." The total area of each floor within the building's exterior
19 walls, as defined in Section 102.9(b)(12) of this Code.

20 ~~(52)~~ "Gross square feet of use." The meaning set forth in Section 102.9 of this Code,
21 with the exception of the TIDF. With respect to the TIDF, the total square feet of gross floor
22 area in a building and/or space within or adjacent to a structure devoted to all uses covered by
23 the TIDF, including any common areas exclusively serving such uses and not serving
24 residential uses. Where a structure contains more than one use, areas common to two or
25 more uses, such as lobbies, stairs, elevators, restrooms, and other ancillary spaces included

1 in gross floor area that are not exclusively assigned to one uses shall be apportioned among
2 the two or more uses in accordance with the relative amounts of gross floor area, excluding
3 such space, in the structure or on any floor thereof directly assignable to each use.

4 ~~(55)~~—"Hotel" or "Hotel use." Space within a structure or portion thereof intended or
5 primarily suitable for or accessory to the operation of uses defined in San Francisco Planning
6 Code Sections 790.46 and 890.46, regardless of the zoning district that the use is located in.

7 ~~(56)~~—"Household." Any person or persons who reside or intend to reside in the same
8 housing unit.

9 ~~(57)~~—"Household of lower income." A household composed of one or more persons
10 with a combined annual net income for all adult members which does not exceed the
11 qualifying limit for a lower-income family of a size equivalent to the number of persons
12 residing in such household, as set forth for the County of San Francisco in Title 25 of the
13 California Code of Regulations Section 6932.

14 ~~(58)~~—"Household of median income." A household composed of one or more persons
15 with a combined annual net income for all adult members which does not exceed the
16 qualifying limit for a median-income family of a size equivalent to the number of persons
17 residing in such household, as set forth for the County of San Francisco in Title 25 of the
18 California Code of Regulations Section 6932.

19 ~~(59)~~—"Household of moderate income." A household composed of one or more
20 persons with a combined annual net income for all adult members which does not exceed the
21 qualifying limit for a moderate-income family of a size equivalent to the number of persons
22 residing in such household, as set forth for the County of San Francisco in Title 25 of the
23 California Code of Regulations Section 6932.

24 ~~(60)~~—"Housing developer." Any business entity building housing units which receives
25 a payment from a sponsor for use in the construction of the housing units. A housing

1 developer may be (a) the same business entity as the sponsor, (b) an entity in which the
2 sponsor is a partner, joint venturor, or stockholder, or (c) an entity in which the sponsor has no
3 control or ownership.

4 ~~(61)~~—"Housing project." Any development which has residential units as defined in the
5 Planning Code, including but not limited to dwellings, group housing, independent living units,
6 and other forms of development which are intended to provide long-term housing to
7 individuals and households. "Housing project" shall not include that portion of a development
8 that qualifies as an Institutional Use under the Planning Code. "Housing project" for purposes
9 of this Program shall also include the development of live/work units as defined by Section
10 102.13 of this Code. Housing project for purposes of this Program shall mean all phases or
11 elements of a multi-phase or multiple lot residential development.

12 ~~(62)~~—"Housing unit" or "unit." A dwelling unit as defined in San Francisco Housing
13 Code Section 401.

14 ~~(63)~~—"Improvements Fund." The fund into which all revenues collected by the City for
15 each Program Area's impact fees are deposited.

16 ~~(64)~~—"In-Kind Agreement." An agreement acceptable in form and substance to the
17 City Attorney and the Director of Planning, under which the project sponsor agrees to provide
18 a specific set of community improvements, at a specific phase of construction, in lieu of
19 contribution to the relevant Fund.

20 ~~(65)~~—"Infrastructure." Open space and recreational facilities; public realms
21 improvements such as pedestrian improvements and streetscape improvements; public transit
22 facilities; and community facilities such as libraries, child care facilities, and community
23 centers.

1 ~~(66)~~—"In lieu fee." A fee paid by a project sponsor in lieu of complying with a
2 requirement of this Code and that is not a development impact fee governed by the Mitigation
3 Fee Act.

4 "Institutional use" shall mean space within a structure or portion thereof intended or
5 primarily suitable for or accessory to the operation of uses contained in San Francisco
6 Planning Code Section 217 and 890.50, regardless of the zoning district that the use is
7 located in.

8 "Integrated PDR use" shall mean space within a structure or portion thereof intended or
9 primarily suitable for or accessory to the operation of uses defined in San Francisco Planning
10 Code Section 890.49, regardless of the zoning district that the use is located in.

11 ~~(67)~~—"Interim Guidelines" shall mean the Office Housing Production Program Interim
12 Guidelines adopted by the City Planning Commission on January 26, 1982, as amended.

13 ~~(68)~~—"Licensed Child-care facility." A child-care facility which has been issued a valid
14 license by the California Department of Social Services pursuant to California Health and
15 Safety Code Sections 1596.80-1596.875, 1596.95-1597.09, or 1597.30-1597.61.

16 ~~(69)~~—"Live/work project." A housing project containing more than one live/work unit.

17 ~~(70)~~—"Live/work unit" shall be as defined in Section 102.13 of this Code.

18 ~~(71)~~—"Long term housing." Housing intended for occupancy by a person or persons
19 for 32 consecutive days or longer.

20 ~~(72)~~—"Low income." For purposes of this Article, up to 80% of median family income
21 for the San Francisco PMSA, as calculated and adjusted by the United States Department of
22 Housing and Urban Development (HUD) on an annual basis, except that as applied to
23 housing-related purposes such as the construction of affordable housing and the provision of
24 rental subsidies with funds from the SOMA Stabilization Fund established in Section 418.7, it
25

1 shall mean up to 60% of median family income for the San Francisco PMSA, as calculated
2 and adjusted by HUD on an annual basis.

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

8 ~~(74)~~—"Market and Octavia Community Improvements Fund" The fund into which all
9 fee reveue collected by the City from the Market and Octavia Community Improvements Fee
10 is deposited.

11 ~~(75)~~—"Market and Octavia Community Improvements Impact Fee." The fee collected
12 by the City to mitigate impacts of new development in the Market and Octavia Program Area,
13 as described in the findings in Section 421.1.

14 ~~(76)~~—"Market and Octavia Community Improvements Program." The program
15 intended to implement the community improvements identified in the Market and Octavia Area
16 Plan, as articulated in the Market and Octavia Community Improvements Program Document
17 on file with the Clerk of the Board in File No. 071157.)

18 ~~(77)~~—"Market and Octavia Program Area." The Market and Octavia Plan Area in Map
19 1 (Land Use Plan) of the Market and Octavia Area Plan of the San Francisco General Plan,
20 which includes those districts zoned RTO, NCT, or any neighborhood specific NCT, a few
21 parcels zoned RH-1 or RH-2, and those parcels within the Van Ness and Market Downtown
22 Residential Special Use District (VMDRSUD).

23 ~~(78)~~—"Market rate housing." Housing constructed in the principal project that is not
24 subject to sales or rental restrictions.

25

1 ~~(79)~~—"Maximum annual rent." The maximum rent that a housing developer may
2 charge any tenant occupying an affordable unit for the calendar year. The maximum annual
3 rent shall be 30 percent of the annual income for a lower-income household as set forth in
4 Section 6932 on January 1st of each year for the following household sizes:

- 5 (A) For all one-bedroom units, for a household of two persons;
- 6 (B) For all two-bedroom units, for a household of three persons;
- 7 (C) For all three-bedroom units, for a household of four persons;
- 8 (D) For all four-bedroom units, for a household of five persons.

9 ~~(79)~~—"Maximum purchase price." The maximum purchase price that a household of
10 moderate income can afford to pay for an owned unit based on an annual payment for all
11 housing costs of 33 percent of the combined household annual net income, a 10 percent
12 down payment, and available financing, for the following household sizes:

- 13 (A) For all one-bedroom units, for a household of two persons;
- 14 (B) For all two-bedroom units, for a household of three persons;
- 15 (C) For all three-bedroom units, for a household of four persons;
- 16 (D) For all four-bedroom units, for a household of five persons.

17 ~~(80)~~—"Medical and Health Services." An economic activity category under the TIDF
18 that includes, but is not limited to, those non-residential uses defined in Sections 209.3(a) and
19 217(a) of this Code; animal services, as defined in Section 224(a) and (b) of this Code; and
20 social and charitable services, as defined in Sections 209.3(d) and 217(d) of this Code.

21 ~~(81)~~—"Middle Income Household." A household whose combined annual gross
22 income for all members is between 120 percent and 150 percent of the local median income
23 for the City and County of San Francisco, as calculated by the Mayor's Office of Housing
24 using data from the United States Department of Housing and Urban Development (HUD) and
25 adjusted for household size or, if data from HUD is unavailable, as calculated by the Mayor's

1 Office of Housing using other publicly available and credible data and adjusted for household
2 size.

3 ~~(83)~~—"MOH." The Mayor's Office of Housing, or its successor.

4 ~~(84)~~—"MTA." The Municipal Transportation Agency, or its successor.

5 ~~(85)~~—"MTA Director." The Director of MTA or his or her designee.

6 ~~(86)~~—"Municipal Railway; MUNI." The public transit system owned by the City and
7 under the jurisdiction of the MTA.

8 ~~(87)~~—"Net addition." The total amount of gross floor area defined in Planning Code
9 Section 102.9 contained in a development project, less the gross floor area contained in any
10 structure demolished or retained as part of the proposed development project.

11 "New development." Under the TIDF, any new construction, or addition to or
12 conversion of an existing structure under a building or site permit issued on or after
13 September 4, 2004 that results in 3,000 gross square feet or more of a use covered by the
14 TIDF. In the case of mixed use development that includes residential development, the term
15 "new development" shall refer to only the non-residential portion of such development.
16 "Existing structure" shall include a structure for which a sponsor already paid a fee under the
17 prior TIDF ordinance, as well as a structure for which no TIDF was paid.

18 ~~(97)~~—"Nonprofit child-care provider." A child-care provider that is an organization
19 organized and operated for nonprofit purposes within the provisions of California Revenue
20 and Taxation Code Sections 23701--23710, inclusive, as demonstrated by a written
21 determination from the California Franchise Tax Board exempting the organization from taxes
22 under Revenue and Taxation Code Section 23701.

23 ~~(98)~~—"Nonprofit organization." An organization organized and operated for nonprofit
24 purposes within the provisions of California Revenue and Taxation Code Sections 23701--
25 23710, inclusive, as demonstrated by a written determination from the California Franchise

1 Tax Board exempting the organization from taxes under Revenue and Taxation Code Section
2 23701.

3 ~~(102)~~—"Non-residential use." Space within any structure or portion thereof intended or
4 primarily suitable for or accessory to occupancy by retail, office, commercial, or other non-
5 residential uses defined in Section 209.3, 209.8, 217, 218, 219 of this Code, and 221,
6 regardless of the zoning district that the use is located in; except that residential components
7 of uses defined in Section 209.3(a)-(c) and (g)-(i) shall be defined as a "residential use" for
8 purposes of this Article. For the purposes of this Article, non-residential use shall not include
9 PDR and publicly owned and operated community facilities.

10 ~~(103)~~—"Notice of Special Restrictions." A document recorded with the San Francisco
11 Recorder's Office for any unit subject to this Program detailing the sale and resale or rental
12 restrictions and any restrictions on purchaser or tenant income levels included as a Condition
13 of Approval of the principal project relating to the unit.

14 ~~(105)~~—"Office use." Space within a structure or portion thereof intended or primarily
15 suitable for or accessory to the operation of uses defined in San Francisco Planning Code
16 Section 890.70, regardless of the zoning district that the use is located in.

17 ~~(106)~~—"Off-site unit." A unit affordable to qualifying households constructed pursuant to
18 this Ordinance on a site other than the site of the principal project.

19 ~~(107)~~—"On-site unit." A unit affordable to qualifying households constructed pursuant to
20 this Article on the site of the principal project.

21 ~~(108)~~—"Owned unit." A unit affordable to qualifying households which is a
22 condominium, stock cooperative, community apartment, or detached single-family home. The
23 owner or owners of an owned unit must occupy the unit as their primary residence.

24 ~~(109)~~—"Owner." The record owner of the fee or a vendee in possession.
25

1 ~~(H10)~~—"PDR use." Space within any structure or portion thereof intended or primarily
2 suitable for or accessory to the operation of uses defined in San Francisco Planning Code
3 Sections 220, 222, 223, 224, 225, 226, 227(a), 227(b), and 227(p), regardless of the zoning
4 district that the use is located in.

5 ~~(H11)~~—"Principal project." A housing development on which a requirement to provide
6 affordable housing units is imposed.

7 ~~(H12)~~—"Principal site." The total site proposed for development, including the portion of
8 site proposed to be legally transferred to the City and County of San Francisco.

9 ~~(H13)~~—"Procedures Manual." The City and County of San Francisco Affordable Housing
10 Monitoring Procedures Manual issued by the San Francisco Department of City Planning, as
11 amended.

12 ~~(H14)~~—"Rent" or "rental." The total charges for rent, utilities, and related housing
13 services to each household occupying an affordable unit.

14 ~~(H15)~~—"Rental unit." A unit affordable to qualifying households which is not a
15 condominium, stock cooperative, or community apartment.

16 ~~(H16)~~—"Replacement of use." The total amount of gross floor area, as defined in
17 Section 102.9 of this Code, to be demolished and reconstructed by a development project.

18 ~~(H18)~~—"Research and development use." Space within any structure or portion thereof
19 intended or primarily suitable for or accessory to the operation of uses defined in San
20 Francisco Planning Code Section 890.52, regardless of the zoning district that the use is
21 located in.

22 ~~"Residential development project subject to the Visitacion Valley Community
23 Infrastructure Fee." Any new construction, addition, extension, conversion or enlargement, or
24 combination thereof in Visitacion Valley, of an existing structure which includes any occupied
25 floor area of residential use and which has twenty (20) residential units or more; provided,~~

1 however, that for projects that solely comprise an addition to an existing structure which would
2 add occupied floor area in an amount less than 20 percent of the occupied floor area of the
3 existing structure, the provisions of this Section shall only apply to the new occupied square
4 footage.

5 ~~(122)~~—"Residential use." Space within any structure or portion thereof intended or
6 primarily suitable for or accessory to occupancy by uses defined in San Francisco Planning
7 Code Sections 209.1, 790.88, and 890.88 of this Code, as relevant for the subject zoning
8 district, or containing group housing as defined in Section 209.2(a)-(c) of this Code and any
9 residential components of institutional uses as defined in Section 209.3(a)-(c) and (g)-(i) of this
10 Code.

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

15 ~~(125)~~—"Retail use." Space within any structure or portion thereof intended or primarily
16 suitable for or accessory to the operation of uses contained in San Francisco Planning Code
17 Section 218, regardless of the zoning district that the use is located in.

18 ~~(126)~~—"Revenue services hours." The number of hours that the Municipal Railway
19 provides service to the public with its entire fleet of buses, light rail (including streetcars), and
20 cable cars.

21 ~~(127)~~—"Rincon Hill Community Improvements Fund." The fund into which all fee
22 revenue collected by the City from the Rincon Hill Community Infrastructure Impact Fee is
23 deposited.

1 ~~(128)~~—"Rincon Hill Community Infrastructure Impact Fee." The fee collected by the City
2 to mitigate impacts of new development in the Rincon Hill Program Area, as described in the
3 findings in Section 418.1.

4 ~~(129)~~—"Rincon Hill Program Area." Those districts identified as the Rincon Hill
5 Downtown Residential (RH DTR) Districts in the Planning Code and on the Zoning Maps.

6 ~~(130)~~—"Section 6932." Section 6932 of Title 25 of the California Code of Regulations as
7 such section applies to the County of San Francisco.

8 "Small Enterprise Workspace use" shall mean space within a structure or portion
9 thereof intended or primarily suitable for or accessory to the operation of uses as defined in
10 San Francisco Planning Code Section 227(t), regardless of the zoning district that the use is
11 located in.

12 ~~(75)~~—"SOMA." The area bounded by Market Street to the north, Embarcadero to the
13 east, King Street to the south, and South Van Ness and Division to the west.

14 ~~(131)~~—"SOMA Community Stabilization Fee." The fee collected by the City to mitigate
15 impacts on the residents and businesses of SOMA of new development in the Rincon Hill
16 Program Area, as described in the findings in Section 418.1.

17 ~~(132)~~—"SOMA Community Stabilization Fund." The fund into which all fee revenue
18 collected by the City from the SOMA Community Stabilization Fee is deposited.

19 ~~(133)~~—"Sponsor" or "project sponsor." An applicant seeking approval for construction of
20 a development project subject to this Article, such applicant's successor and assigns, and/or
21 any entity which controls or is under common control with such applicant.

22 ~~(134)~~—"Stock cooperative." As defined in California Business and Professions Code
23 Section 11003.2.

24 ~~(135)~~—"Student housing." A building where 100 percent of the residential uses are
25 affiliated with and operated by an accredited post-secondary educational institution. Typically,

1 student housing is for rent, not for sale. This housing shall provide lodging or both meals and
2 lodging, by prearrangement for one week or more at a time. This definition only applies in the
3 Eastern Neighborhoods Mixed Use Districts.

4 "TIDF; Transit Impact Development Fee." The development fee that is the subject of
5 Section 411.1 et seq. of this Article.

6 ~~(136)~~—"TIDF Study." The study commissioned by the San Francisco Planning
7 Department and performed by Nelson/Nygaard Associates entitled "Transit Impact
8 Development Fee Analysis – Final Report," dated May 2001, including all the Technical
9 Memoranda supporting the Final Report and the Nelson/Nygaard update materials contained
10 in Board of Supervisors File No. 040141.

11 ~~(137)~~—"Total developable site area." That part of the site that can be feasibly
12 developed as residential development, excluding land already substantially developed, parks,
13 required open spaces, streets, alleys, walkways or other public infrastructure.

14 ~~(138)~~—"Transit Impact Development Fee; TIDF." The development fee that is the
15 subject of Section 411.1 et seq. of this Article.

16 ~~(139)~~—"Treasurer." The Treasurer for the City and County of San Francisco.

17 ~~(140)~~—"Trip generation rate." The total number of automobile and Municipal Railway
18 trips generated for each 1,000 square feet of development in a particular economic activity
19 category as established in the TIDF Study, or pursuant to the five-year review process
20 established in Section 411.5 of this Article.

21 ~~(141)~~—"Use." The purpose for which land or a structure, or both, are legally designed,
22 constructed, arranged, or intended, or for which they are legally occupied or maintained, let or
23 leased.

24 ~~(142)~~—"Visitacion Valley." The area bounded by Carter Street and McLaren Park to the
25 west, Mansell Street to the north, Route 101 between Mansell Street and Bayshore Boulevard

1 to the northeast, Bayview Park to the north, Candlestick Park and Candlestick Point
2 Recreation Area to the east, the San Francisco Bay to the southeast, and the San Francisco
3 County line to the south.

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

7 ~~(144)~~—"Waiver Agreement." An agreement acceptable in form and substance to the
8 City Attorney and the Planning Department under which the City agrees to waive all or a
9 portion of the Community Improvements Impact Fee.

10 **SEC. ~~420~~ formerly Section 318.10). VISITACION VALLEY COMMUNITY**
11 **FACILITIES AND INFRASTRUCTURE FEE AND FUND.**

12 Sections 420.1 through 420.5, hereafter referred to as Section 420.1 et seq., set forth
13 the requirements and procedures for the Visitacion Valley Community Facilities and
14 Infrastructure Fee and Fund. The effective date of these requirements shall be either
15 November 18, 2005, which is the date that the requirements originally became effective, or
16 the date a subsequent modification, if any, became effective.

17 **SEC. 406. WAIVER, REDUCTION, OR ADJUSTMENT OF DEVELOPMENT**
18 **PROJECT REQUIREMENTS.**

19 (a) Waiver or Reduction Based on Absence of Reasonable Relationship.

20 (1) The sponsor of any development project subject to a development fee or
21 development impact requirement imposed by this Article may appeal to the Board of
22 Supervisors for a reduction, adjustment, or waiver of the requirement based upon the absence
23 of any reasonable relationship or nexus between the impact of development and either the
24 amount of the fee charged or the on-site requirement.

1 (2) Any appeal authorized by this Section shall be made in writing and filed with the
2 Clerk of the Board no later than 15 days after the date the Department or Commission takes
3 final action on the project approval that assesses the requirement. The appeal shall set forth
4 in detail the factual and legal basis for the claim of waiver, reduction, or adjustment.

5 (3) The Board of Supervisors shall consider the appeal at a public hearing within 60
6 days after the filing of the appeal. The appellant shall bear the burden of presenting
7 substantial evidence to support the appeal, including comparable technical information to
8 support appellant's position. The decision of the Board shall be by a simple majority vote and
9 shall be final.

10 (4) If a reduction, adjustment, or waiver is granted, any change in use within the
11 project shall invalidate the waiver, adjustment, or reduction of the fee or inclusionary
12 requirement. If the Board grants a reduction, adjustment or waiver, the Clerk of the Board
13 shall promptly transmit the nature and extent of the reduction, adjustment or waiver to the
14 Development Fee Collection Unit at DBI and the Unit shall modify the Project Development
15 Fee Report to reflect the change.

16 (b) Waiver or Reduction, Based on Housing Affordability ~~or Duplication of Fees.~~

17 (1) An Affordable housing unit shall receive a waiver from the Rincon Hill
18 Community Infrastructure Impact Fee, the Market and Octavia Community Improvements
19 Impact Fee, the Eastern Neighborhoods Infrastructure Impact Fee, the Balboa Park Impact
20 Fee, and the Visitacion Valley Community Facilities and Infrastructure Impact Fee if the
21 affordable housing unit:

22 (A) is affordable to a household at or below 80% of the Area Median Income (as
23 published by HUD), including units that qualify as replacement Section 8 units under the
24 HOPE SF program;

1 (B) is subsidized by MOH, the San Francisco Housing Authority, and/or the San
2 Francisco Redevelopment Agency; and

3 (C) is subsidized in a manner which maintains its affordability for a term no less than
4 55 years, whether it is a rental or ownership opportunity. Project sponsors must demonstrate
5 to the Planning Department staff that a governmental agency will be enforcing the term of
6 affordability and reviewing performance and service plans as necessary.

7 ~~The Planning Commission shall give special consideration to offering reductions or~~
8 ~~waivers of the impact fee to housing projects on the grounds of affordability in cases in which~~
9 ~~the State of California, the Federal Government, MOH, the San Francisco Redevelopment~~
10 ~~Agency, or other public agency subsidies target new housing for households at or below 50%~~
11 ~~of the Area Median Income as published by HUD, including units that qualify as replacement~~
12 ~~Section 8 units under the HOPE SF program. This waiver clause intends to provide a local~~
13 ~~'match' for these deeply subsidized units and should be considered as such by relevant~~
14 ~~agencies. Specifically these units may be rental or ownership opportunities but they must be~~
15 ~~subsidized in a manner which maintains their affordability for a term no less than 55 years.~~
16 ~~Project sponsors must demonstrate to Department staff that a governmental agency will be~~
17 ~~enforcing the term of affordability and reviewing performance and service plans as necessary;~~
18 ~~usually this takes the form of a deed restriction.~~

19 ~~(2) — The Planning Department shall publish an annual schedule of specific values~~
20 ~~for waivers and reductions available under this subsection. Department staff shall apply these~~
21 ~~waivers based on the most recent schedule published at the time that fee payment is made.~~

22 ~~(3) Projects that meet the requirements of this subsection are eligible for a 100~~
23 ~~percent fee reduction until an alternative fee schedule is published by the Department. Ideally~~
24 ~~some contribution will be made to Community Improvement Programs for specific areas, as~~
25 ~~these units will place an equal demand on community improvements infrastructure.~~

1 (3) This waiver clause shall not be applied to units built as part of a developer's
2 efforts to meet the requirements of the Inclusionary Affordable Housing Program, and Section
3 415 of this Code.

4 (4c) Waiver based on Duplication of Fees. The City shall make every effort not to
5 assess duplicative fees on new development. In general, project sponsors are only eligible for
6 fee waivers under this Subsection if a contribution to another fee program would result in a
7 duplication of charges for a particular type of community infrastructure. The Department shall
8 publish a schedule annually of all known opportunities for waivers and reductions under this
9 clause, including the specific rate. Requirements under Section 135 and 138 of this Code do
10 not qualify for a waiver or reduction. Should future fees pose a duplicative charge, such as a
11 Citywide open space or childcare fee, the same methodology shall apply and the Department
12 shall update the schedule of waivers or reductions accordingly.

13 **SEC. 420.1. FINDINGS.**

14 a. New Residential and Non-Residential Uses. The Visitacion Valley Fee Area (Fee Area)
15 is located along the southeastern border of San Francisco and includes the area bounded by McLaren
16 Park to the west, the San Mateo County line to the south, Mansell Street to the north, and Highway 101
17 and Bayview Park to the east. The Fee Area includes the following planning areas: Executive Park,
18 Schlage Lock, Visitacion Valley Redevelopment Area, and HOPE SF Sunnydale. Jointly these plans
19 aim to strengthen neighborhood character, the neighborhood commercial district, and transit by
20 increasing the housing and retail capacity in the area. This project goal will also help to meet ABAG's
21 projected demand to provide housing in the Bay Area by encouraging the construction of higher density
22 housing. The Plan builds on existing neighborhood character and establishes new standards for
23 amenities necessary for a transit-oriented neighborhood.

24 (b) Need for Public Improvements to Accompany New Uses. The City anticipates an
25 increase of at least ~~5,049~~ 4,780 new housing units within the next 20 years, and over ~~52225~~ new jobs,

1 as described in the Visitacion Valley Nexus Stud on file with the Clerk of the Board in File No.
2 _____ and incorporated by reference herein. This new development will have an impact on the
3 Area's neighborhood infrastructure. New development will generate needs for a new Library, street
4 improvements, transit improvements, community facilities, childcare and parks and recreation
5 amenities, as described in the Visitacion Valley Nexus Study, on file with the Clerk of the Board.
6 Various City agencies and related planning efforts intend to address existing deficiencies and new
7 impacts through a comprehensive package of community improvements. This Program will enable the
8 City and County of San Francisco to provide necessary public infrastructure to new residents while
9 increasing neighborhood livability and investment in the district.

10 (c) Programmed Improvements. General public improvements and amenities needed to
11 meet the needs of both existing residents, as well as those needs generated by new development, have
12 been identified through the various community planning processes. The City developed generalized cost
13 estimates, based on similar project types implemented by the City in the relevant time period, to
14 provide reasonable approximations for the eventual cost of providing necessary community
15 improvements to respond to identified community needs. In some cases, design work, engineering, and
16 environmental review will be required and may alter the nature of the improvements, as well as the sum
17 total of the cost for these improvements.

18 (d) Visitacion Valley Impact Fee. Development impact fees are an effective approach to
19 mitigate impacts associated with growth in population. The proposed Visitacion Valley Impact Fee
20 would be dedicated to community improvements in the described fee Area; directing benefits of the fund
21 to those who pay into the fund by providing the necessary infrastructure improvements needed to serve
22 new development. The Planning Department has calculated the fee rate based on accepted professional
23 methods for the calculation of such fees, and described fully in the Visitacion Valley nexus study.

24 The proposed fee would cover less than the full impact of new development. The proposed fee
25 only covers a portion of impacts caused by new development and is not intended to remedy existing

1 deficiencies. Existing deficiency costs will be paid for by the public, the community, and other private
 2 sources. Residential and non-residential impact fees are only one of many revenue sources necessary to
 3 implement the community improvements outlined in the Plan.

	<i>Breakdown of Visitacion Valley Public Benefit Fee/Fund by Improvement Type</i>
<u>Library</u>	<u>17%</u>
<u>Transportation</u>	<u>28%</u>
<u>Parks & Recreation</u>	<u>24%</u>
<u>Child Care</u>	<u>22%</u>
<u>Community Facilities</u>	<u>9%</u>
<u>Total per sf</u>	<u>100%</u>

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

1 A. — A number of large sites in Visitacion Valley are targeted for substantial changes of use.
2 Currently there are three applications pending at the City's Planning Department to develop Executive
3 Park, originally planned as an office complex, into a large housing development. In addition, the City
4 has drafted plans for Schlage Lock, long an industrial site, to be transformed into a major mixed-use
5 housing development. Together, these sites would represent over 2,000 new units of housing in areas
6 previously contemplated for office and industrial activities.

7 For the past thirty years, Executive Park has been the subject of several proposals and
8 development plans. The first Executive Park Development Plan, developed in 1978, considered a
9 development of 833,000 square feet of office space, 174,000 square feet of hotel/meeting space, and
10 75,000 square feet of retail space. Building permits were issued for the construction of four office
11 buildings and a restaurant under this plan. Three of the office buildings were constructed by 1985, for
12 a total of about 320,000 square feet of office space and 2,500 square feet of retail space. The fourth
13 office building and the restaurant have yet to be constructed.

14 In 1983, a revised development plan was proposed to amend the previous 1978 Development
15 Plan by adding additional office space and hotel space, and by adding residential use. Overall, and
16 including the four office buildings and the restaurant previously approved, the 1984 Development Plan
17 Amendment called for 1,644,000 square feet of office space, 234,000 square feet of hotel space, 50,000
18 square feet of retail/restaurant spaces, and 600 residential units.

19 A 1992 Development Plan added 25,000 square feet of health club space, 10,000 square feet of
20 childcare space, and an additional 10,000 square feet of restaurant space. Following this approval,
21 building permits were issued for the construction of five residential buildings, containing about 287
22 units. Only two of the residential buildings, containing 128 units, have been constructed.

23 At present, Executive Park consists of three office buildings containing 320,000 square feet of
24 office space and 2,500 square feet of retail space, and two residential buildings containing 128
25 residential units. Since 2003, three project sponsors have filed applications to develop over 1,300 new

1 ~~units of housing, totaling 1,709,000 square feet of residential use. To accommodate these projects, the~~
 2 ~~Planning Commission has forwarded a General Plan Amendment to the Board of Supervisors that~~
 3 ~~would allow for an additional 499 residential units while eliminating 1,324,000 square feet of office~~
 4 ~~space, 10,000 square feet of retail space, and 25,000 square feet of health club use. In addition, the~~
 5 ~~General Plan Amendment would reduce the allowable square footage of childcare use from 13,240~~
 6 ~~square feet to 10,000 square feet.~~

7 ~~At the Schlage Lock site, this company operated a large industrial plant for the better part of a~~
 8 ~~century, providing jobs for area residents and serving as a key part of the community. Ingersoll Rand,~~
 9 ~~the parent company of Schlage Lock, closed the plant in 1999, indicating a wish to sell the property.~~
 10 ~~Since that time, the site has remained vacant and under-utilized.~~

11 ~~In 2002, the City sponsored a series of community planning workshops to formulate a~~
 12 ~~community plan for the re-use of the 20-acre site. The community planning workshops, involving~~
 13 ~~several hundred residents of Visitacion Valley and surrounding neighborhoods, produced a written~~
 14 ~~report, "The Visitacion Valley Schlage Lock Community Planning Workshop: Strategic Concept Plan~~
 15 ~~and Workshop Summary." This plan calls for a mix of housing, open space, community-oriented retail~~
 16 ~~and community-oriented institutional uses. The plan contemplates 740 new units of housing on the~~
 17 ~~residential portions of the site. Using a planning standard of 1,000 square feet per unit, the projected~~
 18 ~~square footage of new residential development at the site is 740,000 square feet.~~

19 ~~Projected New Visitacion Valley~~
 20 ~~Residential Development~~

Signature Properties (Executive Park)	433 units	615,000 square feet
	—	

1	<i>Top Vision</i>		<i>618,000</i>
2	<i>(Executive Park)</i>	<i>410 units</i>	<i>square feet</i>
3		—	
4	<i>Yerby</i>		<i>476,000</i>
5	<i>(Executive Park)</i>	<i>496 units</i>	<i>square feet</i>
6		—	
7			
8	<i>Schlage Lock</i>	<i>740 units</i>	<i>740,000</i>
9			<i>square feet</i>
10		—	
11	<i>Total</i>	<i>2,079 units</i>	<i>2,449,000</i>
12			<i>square feet</i>

13 *In its environmental review of the Signature Properties application, the San Francisco Planning*
14 *Department estimates 3,340 new residents at the three Executive Park sites. For the Schlage Lock site,*
15 *a planning standard of 2.2 new residents per unit is applied to the development, or 1,628 new residents.*
16 *Together, therefore, these four proposals are expected to introduce 4,968 new residents to the*
17 *neighborhood.*

18 *According to the 2000 Census, there are currently 16,482 residents in Visitacion Valley. With*
19 *the 4,968 new residents expected through the above projects, the new Visitacion Valley population*
20 *would be 21,450 residents. Therefore, 23.2% of all Visitacion Valley residents would be new residents*
21 *at these four project sites.*

22 *B. — San Francisco's growing population and severe housing crisis requires the development*
23 *of new housing. To respond to this need for housing, the City is considering granting Conditional Use*
24 *Authorization, re zonings, and/or General Plan Amendments for a number of large development sites in*
25 *Visitacion Valley. These areas are currently occupied primarily by office or industrial uses with*

1 *minimal community facilities and infrastructure to support a significant residential population. In*
2 *addition, very few residents currently reside in these areas. New residential development in these areas*
3 *will impact Visitacion Valley's community facilities and infrastructure and will generate a substantial*
4 *need for community improvements as the neighborhood's population grows as a result of new*
5 *residential development. Substantial new investments in community infrastructure, including active*
6 *recreational spaces, community facilities, and other public services are necessary to mitigate the*
7 *impacts of new development at these sites.*

8 *The amendments to the General Plan, Planning Code and/or Zoning Maps that are necessary to*
9 *facilitate residential developments at these sites will permit a substantial amount of new residents.*
10 *More than 2,050 new units representing approximately 5,000 new residents would be anticipated in the*
11 *Visitacion Valley neighborhood, resulting in a 30% increase in the neighborhood's residential*
12 *population. The new development will have a profound impact on the neighborhood's dated*
13 *infrastructure. A comprehensive program of community facilities and public infrastructure is necessary*
14 *to mitigate the impacts of the proposed new development and to provide these basic community*
15 *improvements to the neighborhood's growing residential population.*

16 *As a result of this new development, property tax revenue is projected to increase. These*
17 *revenues will fund improvements and expansions to general City services, including Police, Fire,*
18 *Emergency, and other services needed to partially meet the increased demand associated with new*
19 *development. Local impacts on the need for community facilities and infrastructure will be heightened*
20 *in Visitacion Valley, compared to those typically funded by City government through property tax*
21 *revenues. The relative cost of capital improvements, along with the reduced role of State and federal*
22 *funding sources, increases the necessity for development impact fees to cover these costs. General*
23 *property tax revenues will not be adequate to fully fund the costs of the community facilities and*
24 *infrastructure necessary to mitigate the impacts of new development in the Visitacion Valley*
25 *neighborhood.*

1 ~~Development impact fees are a more cost-effective, realistic way to implement mitigations to a~~
2 ~~local neighborhood associated with particular developments' impacts. As important, the proposed~~
3 ~~Visitacion Valley Community Facilities and Infrastructure Fee would be dedicated to the Visitacion~~
4 ~~Valley area, directing benefits of the fund directly to those who pay into the fund.~~

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

9 ~~The purpose of the Visitacion Valley Community Facilities and Infrastructure Fee is to provide~~
10 ~~specific improvements, including active recreational spaces, pedestrian and streetscape improvements,~~
11 ~~and other facilities and services. The Visitacion Valley Community Facilities and Infrastructure Fee~~
12 ~~will create the necessary financial mechanism to fund these improvements in proportion to the need~~
13 ~~generated by new development.~~

14 ~~The capital improvements that the fee would fund are clearly described in the ordinance. The~~
15 ~~fee would be solely used to fund the acquisition, design, and construction of community facilities in the~~
16 ~~Visitacion Valley neighborhood. The proposed fees only cover impacts caused by new development and~~
17 ~~are not intended to remedy already existing deficiencies; those costs will be paid for by other sources.~~

18 ~~The City has existing plans for the community facility and infrastructure projects to be funded~~
19 ~~through this fee. The San Francisco Public Library has an account established, initial funds~~
20 ~~appropriated, and adopted plans and a preliminary construction schedule for the Visitacion Valley~~
21 ~~Branch Library. The San Francisco Department of Recreation and Parks has accounts established,~~
22 ~~initial funds appropriated, and adopted plans and a preliminary construction schedule for the~~
23 ~~Visitacion Valley projects identified herein. The Department of Public Works, in coordination with the~~
24 ~~Planning Department, has an account established and adopted plans and a preliminary construction~~
25 ~~schedule for the Leland Avenue street improvements. It is anticipated that the remaining community~~

1 *facility and infrastructure projects would be at a similar stage of development in terms of having*
2 *accounts established and plans adopted as the projects listed above when the final developments*
3 *covered by this ordinance are to apply for City permits.*

4 *C. — In order to enable the City and County of San Francisco to create a unified, attractive,*
5 *and safe residential Visitacion Valley neighborhood, and to mitigate the impacts of potential new large*
6 *developments on community amenities, it is necessary to upgrade existing streets and streetscaping and*
7 *to develop neighborhood public services, active recreational spaces, and community facilities. To fund*
8 *such community infrastructure and amenities, new residential development in the neighborhood shall*
9 *be assessed development impact fees proportionate to the increased demand or such infrastructure and*
10 *amenities created by the new housing. The City will use the proceeds of the fee to develop community*
11 *facilities and infrastructure within Visitacion Valley that provides direct benefits to the new housing.*

12 *The development of community facilities and infrastructure in the Visitacion Valley*
13 *neighborhood will provide a benefit to new residents beyond the provision of services. It is anticipated*
14 *that new residents will realize an increase in property values due to the enhanced neighborhood*
15 *amenities financed with the proceeds of the fee. A Visitacion Valley Community Facilities and*
16 *Infrastructure Fee shall be established for new residential development within Visitacion Valley as set*
17 *forth herein.*

18 *The proposed improvements described below are necessary to serve the new population at the*
19 *anticipated densities. Cost estimates are based on an assessment of the potential cost to the City of*
20 *providing the specific improvements. Developer contributions are based upon the percentage of new*
21 *residents expected in Visitacion Valley at these four project sites, or 23.2%, with the exception of*
22 *improvements necessary to mitigate impacts that are created entirely by the developers. In these cases,*
23 *developer contributions are set at 100%.*

24 *The proposed Visitacion Valley Community Facilities and Infrastructure Fee would fund*
25 *mitigations of the impacts of new development on:*

1 •~~Active Recreational Spaces: development of neighborhood playground, pool, and outdoor~~
2 ~~education center~~

3 •~~Library Facilities: construction of a new neighborhood library~~

4 •~~Community Facilities: development of community spaces available for public uses~~

5 •~~Streetscape Improvements: Blanken Avenue sidewalk widening and lighting improvements;~~
6 ~~Leland Avenue streetscape improvements~~

7 ~~Active Recreational Space: The San Francisco Recreation and Park Department has provided a~~
8 ~~cost estimate of necessary improvements to the Kelloch-Velasco Playground (\$2,222,500), the Coffman~~
9 ~~Pool (\$10,600,000), and the Visitacion Valley Greenway-Educational Center for the Sciences and Arts~~
10 ~~at Tioga Avenue (\$2,054,000). The total developer contribution is deemed to be \$3,451,348.~~

11 ~~Library Facilities: The San Francisco Public Library has provided a cost estimate for the~~
12 ~~construction of the Visitacion Valley Branch Library (\$9,350,000). The total developer contribution is~~
13 ~~deemed to be \$2,169,200.~~

14 ~~Community Facilities: In the Rincon Hill Plan adopted by the Board of Supervisors, the San~~
15 ~~Francisco Planning Department determined a need of community facilities space at 2.29 square feet for~~
16 ~~every new resident. Based upon the 4,968 new residents projected for Visitacion Valley from residential~~
17 ~~development in large opportunity sites, there would be a need for 11,376 square feet of new community~~
18 ~~center space.~~

19 ~~For a comparable land cost, the San Francisco Public Library acquired its current development~~
20 ~~site on Leland Avenue for \$135 per square foot. For comparable improvement costs, the San Francisco~~
21 ~~Planning Department estimated a cost of \$400 per square foot to build a new community center in~~
22 ~~Rincon Hill. Taken together, the cost to build a new community center in Visitacion Valley for the new~~
23 ~~residents is estimated to be \$6,086,160, a cost to be entirely borne by the developers.~~

24 ~~Streetscape Improvements: DPW and San Francisco Public Utilities Commission estimate the~~
25 ~~cost to upgrade the Blanken Avenue tunnel to make it more accessible for pedestrians, to be \$152,755.~~

1 ~~This estimate includes widening the sidewalk and improving the lighting in the tunnel. Because these~~
2 ~~improvements are necessary to accommodate new pedestrian traffic and to minimize automobile use~~
3 ~~in the new developments, this cost is to be entirely borne by the developers.~~

4 ~~DPW and the Planning Department have provided a cost estimate for improvements to Leland~~
5 ~~Avenue, the commercial core of Visitation Valley (\$2,621,730). The total developer contribution is~~
6 ~~deemed to be \$608,241.~~

7 ~~Total Developer Contribution: The total developer contribution for Visitation Valley~~
8 ~~community facilities and infrastructure improvements is \$12,467,704. At an estimated 2,449,000 square~~
9 ~~feet of new residential development, the developer contribution is \$5.09 per square foot. The Visitation~~
10 ~~Valley Community Facilities and Infrastructure Fee shall be established at \$4.58 per square foot, or~~
11 ~~90% of the estimated costs of the community improvements. By charging developers less than the~~
12 ~~maximum amount of the justified impact fee, the City avoids any need to refund money to developers if~~
13 ~~fees collected exceed costs.~~

14 ~~D. — The Board of Supervisors finds that the Fees imposed in Section 420.1 et seq. as impact~~
15 ~~fees to fund specific improvements, including active recreational spaces, pedestrian and streetscape~~
16 ~~improvements, and other facilities and services, are proportionate to the need generated by residential~~
17 ~~development projects in Visitation Valley. It shall be the policy of the Board of Supervisors that no~~
18 ~~additional development impact fees specific to Visitation Valley will be imposed to fund the specific~~
19 ~~improvements described above. It is the policy of the Board of Supervisors that any future changes to~~
20 ~~citywide impact fees or other exactions will apply equally to Visitation Valley as to other areas of the~~
21 ~~City, unless otherwise excepted by the Board.~~

22 **SEC. 420.2. DEFINITIONS.** See Section 401 of this Article.

23 **SEC. 420.3. APPLICATION.**

(a) Projects subject to the Visitacion Valley Community Facilities and Infrastructure Fee. The Visitacion Valley Community Facilities Fee and Infrastructure Fee is applicable to any development project in the Visitacion Valley fee area which:

(1) has 20 or more residential units, and

(A) creates at least one new residential unit, or

(B) creates additional space in an existing residential unit of more than 800 gross square feet. ~~Application: Section 420.1 et seq. shall apply to all residential development projects that:~~

(1) ~~are located in Visitacion Valley; and~~

(2) have both not filed an application or a building permit, site permit, conditional use, planned unit development, environmental evaluation, Zoning Map amendment or General Plan amendment prior to September 1, 2003, and have filed an application for a building permit, site permit, conditional use, planned unit development, environmental evaluation, Zoning Map amendment or General Plan amendment on or after September 1, 2003.

(b) Amount of Fee. The Visitacion Valley Community Facilities and Infrastructure Fee ("Fee") shall be ~~\$4,584.124.58~~ for each net addition of ~~occupiable~~^{occupiable} gross square feet of residential use within a development project subject to this Section. Any replacement of gross square feet or change of use shall pay per the Fee Schedule in Table 420.3A below.

TABLE INSET:

<u>Residential to Residential or Non-residential; Non-residential to Non-residential; or PDR to Non-Residential</u>	<u>Non-Residential to Residential</u>	<u>PDR to Residential</u>
<u>\$0</u>	<u>\$3.24/nsf</u>	<u>\$2.09/nsf</u>

1
2 (c) Credits for In-Kind Improvements: Option for In-Kind Provision of Community
3 Infrastructure and Fee Credits. Project sponsors may propose to directly provide community
4 improvements to the City. In such a case, the City may enter into an In-Kind Improvements Agreement
5 with the sponsor and issue a fee waiver for the Visitacion Valley Community Facilities and
6 Infrastructure Fee from the Planning Commission, subject to the following rules and requirements:

7 (1) Approval criteria. The City shall not enter into an In-Kind Agreement unless the
8 proposed in-kind improvements meet an identified community need and where they substitute for
9 improvements that could be provided by the Visitacion Valley Community Facilities and Infrastructure
10 Fund. The City may reject in-kind improvements if they are not consistent with the priorities identified
11 in the Visitacion Valley Community Facilities and Infrastructure Fee Program, by the Interagency Plan
12 Implementation Committee (see Section 36 of the Administrative Code), or other prioritization
13 processes related to Visitacion Valley community improvements programming. No physical
14 improvement or provision of space otherwise required by the Planning Code or any other City Code
15 shall be eligible for consideration as part of this In-Kind Improvements Agreement.

16 (2) Valuation. The Director of Planning shall determine the appropriate value of the
17 proposed in-kind improvements. For the purposes of calculating the total value, the project sponsor
18 shall provide the Planning Department with a cost estimate for the proposed in-kind improvement(s)
19 from two independent sources or, if relevant, real estate appraisers. If the City has completed a
20 detailed site-specific cost estimate for a planned improvement this may serve as one of the cost
21 estimates provided it is indexed to current cost of construction.

22 (3) Content of the In-Kind Improvements Agreement. The In-Kind Improvements Agreement
23 shall include at least the following items:

24 (i) A description of the type and timeline of the proposed in-kind improvements.
25

1 (ii) The appropriate value of the proposed in-kind improvement, as determined in subsection
2 (2) above.

3 (iii) The legal remedies in the case of failure by the project sponsor to provide the in-kind
4 improvements according to the specified timeline and terms in the agreement. Such remedies shall
5 include the method by which the City will calculate accrued interest.

6 (4) Approval Process. The Planning Commission must approve the material terms of an In-
7 Kind Agreement. Prior to the parties executing the Agreement, the City Attorney must approve the
8 agreement as to form and to substance. The Director of Planning is authorized to execute the
9 Agreement on behalf of the City. If the Planning Commission approves the In-Kind Agreement, it shall
10 waive the amount of the Visitacion Valley Community Facilities and Infrastructure Fee by the value of
11 the proposed In-Kind Improvements Agreement as determined by the Director of Planning. No credit
12 shall be made for land value unless ownership of the land is transferred to the City or a permanent
13 public easement is granted, the acceptance of which is at the sole discretion of the City. The maximum
14 value of the In-Kind Improvements Agreement shall not exceed the required Visitacion Valley
15 Community Facilities and Infrastructure Fee.

16 (5) Administrative Costs. Project sponsors that pursue an In-Kind Improvements Agreement
17 will be billed time and materials for any administrative costs that the Planning Department or any
18 other City entity incurs in negotiating, drafting, and monitoring compliance with the In-Kind
19 Improvements Agreement.

20 (6) Credit for On-Site Community Facilities and Childcare Facilities.
21 Notwithstanding the foregoing provisions of subsection (c), a project that filed its first
22 environmental application on or before November 18, 2010 only, is eligible for a credit for on-
23 site community facilities or Childcare Facilities as follows: The project sponsor shall receive a
24 credit not to exceed \$1.12 multiplied by the net addition of occupiable square feet of
25 residential use in the residential development project. To qualify for a credit for community

1 facilities or Childcare Facility, the facility shall be open and available to the general public on
2 the same terms and conditions as to residents of the residential development project in which
3 the facilities are located. Subject to the review and approval of the Planning Commission, the
4 project sponsor may apply for a credit not to exceed \$2.24 multiplied by the net addition of
5 occupiable square feet of residential use in the residential development project.

6 *(1) — Credit for On-Site Community Facilities: In its review of a proposed residential*
7 *development project subject to Section 420.1 et seq., the Planning Commission and Board of*
8 *Supervisors shall apply the planning standard of 2.29 square feet of community facilities space for each*
9 *new resident projected at the residential development project to calculate the residential development*
10 *project's allocation of community facilities space. The project sponsor shall receive a credit against the*
11 *Fee of \$535 per square foot of community facilities space provided on-site within the boundaries of the*
12 *residential development project, provided that such credit shall not exceed \$2.24 multiplied by the net*
13 *addition of occupiable square feet of residential use in the residential development project. To qualify*
14 *for a credit, the community facilities shall be open and available to the general public on the same*
15 *terms and conditions as to residents of the residential development project in which the community*
16 *facilities are located.*

17 *(2) — Credit for Improvements to Blanken Avenue: The Commission may reduce the Fee*
18 *described in this Section for specific residential development proposals in cases where the Sponsor*
19 *has entered into an agreement with the City, in form acceptable to the City Attorneys' Office, to provide*
20 *in-kind improvements to Blanken Avenue. For the purposes of calculating the total value of the in-kind*
21 *community improvements, the project Sponsor shall provide the Department with a cost estimate for the*
22 *proposed in-kind improvements from two independent contractors. Based on these estimates, the*
23 *Director of Planning shall determine their appropriate value and the Commission may reduce the Fee*
24 *assessed to that project proportionally. The Commission may not reduce the fee by an amount greater*
25

1 ~~than the amount that would be the Sponsor's contribution toward the Blanken Avenue improvements if~~
2 ~~the Sponsor were to pay the Fee.~~

3 (d) Timing and Payment of Fee. Any fee required by Section 420.1 et seq. shall be
4 paid to the Development Fee Collection Unit at DBI prior to issuance of the first construction
5 document, with an option for the project sponsor to defer payment to prior to issuance of the
6 first certificate of occupancy upon agreeing to pay a deferral surcharge that would be
7 deposited into the Visitacion Valley Community Facilities and Infrastructure Fund in
8 accordance with Section 402 of this Article and Section 107A.13 of the San Francisco Building
9 Code.

10 SEC. 420.4. IMPOSITION OF REQUIREMENTS.

11 (a) Determination of Requirements. The Department shall determine the
12 applicability of Section 420.1 et seq. to any development project requiring a building or site
13 permit and, if Section 420.1 et seq. is applicable, the net addition of ~~occupiable~~ gross square
14 feet of residential use subject to its requirements, and shall impose the fee requirements as a
15 condition of approval for issuance of the building or site permit. The project sponsor shall
16 supply any information necessary to assist the Department in this determination.

17 (b) Notice to Development Fee Collection Unit of Requirements. Prior to issuance
18 of the building or site permit for a development project subject to Section 420 et seq., the
19 Department shall notify the Development Fee Collection Unit at DBI of its final determination
20 of any fee requirements, including any fee credits for in-kind improvements, in addition to the
21 other information required by Section 402(b) of this Article.

22 (c) Development Fee Collection Unit Notice to Department. The Development Fee
23 Collection Unit at DBI shall provide notice in writing or electronically to the Department prior to
24 issuing the first certificate of occupancy for any development project subject to Section 420.1
25 et seq. that has elected to satisfy its fee requirement with credits-in-kind improvements. If the

1 Department notifies the Unit at such time that the sponsor has not satisfied the in-kind
2 improvements requirements of Section 420.3, the Director of DBI shall deny any and all
3 certificates of occupancy until the subject project is brought into compliance.

4 (d) Process for Revisions of Determination of Requirements. In the event that the
5 Department or the Commission takes action affecting any development project subject to
6 Section 420.1 et seq. and such action is subsequently modified, superseded, vacated, or
7 reversed by the Department or the Commission, Board of Appeals, the Board of Supervisors,
8 or by court action, the procedures of Section 402(c) of this Article shall be followed.

9 SEC. 420.4. LIEN PROCEEDINGS. If, for any reason, the fee imposed under Section
10 420.3 remains unpaid following issuance of the certificate of occupancy, the Development Fee
11 Collection Unit at DBI shall institute lien proceedings to make the entire unpaid balance of the
12 fee, plus interest and any deferral surcharge, a lien against all parcels used for the
13 development project in accordance with Section 408 of this Article and Section 107A.13.215
14 of the San Francisco Building Code.

15 SEC. 420.5. VISITACION VALLEY COMMUNITY FACILITIES AND
16 INFRASTRUCTURE FUND.

17 (a) There is hereby established a separate fund set aside for a special purpose
18 entitled the Visitacion Valley Community Facilities and Infrastructure Fund ("Fund"). All
19 monies collected by DBI pursuant to Section 420.3(b) shall be deposited in the Fund which
20 shall be maintained by the Controller.

21 (b) The receipts in the Fund are, subject to the budgetary and fiscal provisions of
22 the Charter, to be used solely to fund community facilities and infrastructure in Visitacion
23 Valley, including but not limited to capital improvements to library facilities, playgrounds,
24 recreational facilities, open space, childcare, and transportation. ~~and major streets.~~

1 (c) No portion of the Fund may be used, by way of loan or otherwise, to pay any
2 administrative, general overhead, or similar expense of any public entity, *except for the*
3 *administration of this fund in an amount not to exceed 4% of the total annual revenue.*

4 (d) ~~The Controller shall not release any monies from the Fund without prior approval
5 of the Board of Supervisors for an expenditure. City Agencies responsible for the construction
6 or improvement of public infrastructure subject to this ordinance, including but not limited to
7 the San Francisco Public Library, DPW, MTA, DCYFS, and the Department of Recreation and
8 Parks, shall request funds from the Board of Supervisors as necessary. Before approving any
9 expenditures, the Board of Supervisors shall determine the relative impact from the residential
10 development on public infrastructure in Visitacion Valley described in Section 420.56(b) and
11 shall insure that the expenditures are consistent with mitigating the impacts from the
12 development.~~

13 (d) A public hearing shall be held by the Recreation and Parks Commissions to elicit
14 public comment on proposals for the acquisition of property using monies in the Fund or
15 through agreements for financing In-Kind Community Improvements via a Mello-Roos
16 Community Facilities District that will ultimately be maintained by the Department of
17 Recreation and Parks. Notice of public hearings shall be published in an official newspaper at
18 least 20 days prior to the date of the hearing, which notice shall set forth the time, place, and
19 purpose of the hearing. The Parks Commissions may vote to recommend to the Board of
20 Supervisors that it appropriate money from the Fund for acquisition of property for park use
21 and for development of property acquired for park use.

22 (e) The Planning Commission shall work with other City agencies and commissions,
23 specifically the Department of Recreation and Parks, DPW, and the Metropolitan
24 Transportation Agency, to develop agreements related to the administration of the
25 improvements to existing and development of new public facilities within public rights-of-way

1 or on any acquired property designed for park use, using such monies as have been allocated
2 for that purpose at a hearing of the Board of Supervisors.

3 (f) The Director of Planning shall have the authority to prescribe rules and
4 regulations governing the Fund, which are consistent with this Section 420.1 et seq. The
5 Director shall make recommendations to the Board regarding allocation of funds.

6 (eg) The Controller's Office shall file an annual report with the Board of Supervisors
7 beginning one year after the effective date of Section 418.1 et seq., which report shall set
8 forth the amount of money collected in the Fund.

9 Section 3. Severability. This Section is uncodified. If any Section, subsection,
10 paragraph, sentence, clause or phrase of this ordinance or any part thereof is for any reason
11 held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, or
12 other competent agency, such decisions shall not affect the validity or effectiveness of the
13 remaining portions of this ordinance or any part thereof. The Board of Supervisors declares
14 that it would have passed each Section, subsection, paragraph, sentence, clause or phrase of
15 this ordinance irrespective of the fact that any one or more Sections, subsections, paragraph,
16 sentence, clause or phrase of this ordinance be declared unconstitutional or invalid or
17 ineffective.

18 Section 4. This section is uncodified.

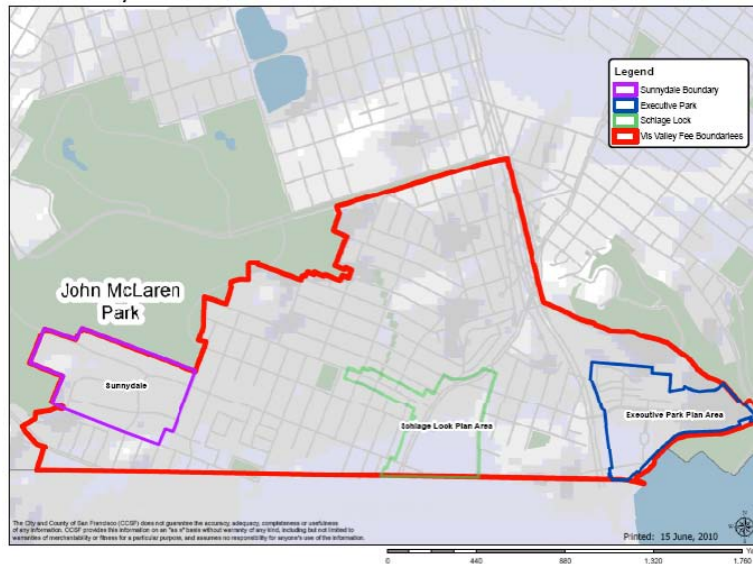
19 In enacting this Ordinance, the Board intends to amend only those words, phrases,
20 paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams or any
21 other constituent part of the Planning Code that are explicitly shown in this legislation as
22 additions, deletions, Board amendment additions, and Board amendment deletions in
23 accordance with the "Note" that appears under the official title of the legislation. This
24 Ordinance shall not be construed to effectuate any unintended amendments. Any additions or
25 deletions not explicitly shown as described above, omissions, or other technical and non-

1 substantive differences between this Ordinance and the Planning Code that are contained in
2 this legislation are purely accidental and shall not effectuate an amendment to the Planning
3 Code. The Board hereby authorizes the City Attorney, in consultation with the Clerk and other
4 affected City departments, to make those necessary adjustments to the published Planning
5 Code, including non-substantive changes such as renumbering or relettering, to ensure that
6 the published version of the Planning Code is consistent with the laws that this Board enacts.
7 Specifically, the Board of Supervisors recognizes that three pending ordinances in Files
8 Nos. 100046, 101247, and 101095 amend some of the same sections of the Planning Code.
9 The Board intends that, if adopted, the Board amendment additions, and Board amendment
10 deletions shown in all three Ordinances be given effect so that the substance of each
11 ordinance be given full force and effect. To this end, the Board directs the City Attorney's
12 office and the publisher to harmonize the provisions of each ordinance.

13
14 APPROVED AS TO FORM:
15 DENNIS J. HERRERA, City Attorney

16 By: _____
17 Susan Cleveland-Knowles
18 Deputy City Attorney

Visitation Valley Nexus Study



Prepared by:
City of San Francisco
Planning Department

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12/09/2010

Executive Summary

In response to a number of recent planning efforts and development proposals, the Visitacion Valley Community Facilities and Infrastructure Fee and Fund was established in 2005. This legislation required all new residential development proposals of a certain size to pay a development impact fee of \$4.58 per square foot to help provide the public facilities needed to meet increased demand. Required by law, this Nexus Study Report (Report) supports the fee by analyzing the relationship, or nexus, between projected new development in the Visitacion Valley Fee Area (fee area) and the cost of providing public improvements. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, and child care.

In November 2005 in Ordinance No. 264-05, the City established the Visitacion Valley Community Facilities and Infrastructure Fee and Fund. Planning Code Section 318.10-318.17 (the “program”). The requirements of the Program are now found in Planning Code Section 420 et seq. This Report updates the analysis done to support the fee. The fee area is located along the southeastern border of San Francisco and includes the area bounded by McLaren Park to the west, the San Francisco County line to the south, Mansell Street to the north, and Highway 101, Bayview Park, Candlestick Park and Candlestick Point Recreation Area to the east as shown in Figure I-1 of Chapter I.

This executive summary presents the nexus amounts calculated in each chapter of this Report to determine a Visitacion Valley nexus amount. From the Visitacion Valley nexus amount, the Planning Department determined a feasible Visitacion Valley Impact Fee.

A. Total Visitacion Valley Nexus Amount

The Visitacion Valley nexus amount is comprised of individual nexus amounts for libraries, transportation, recreation and parks, child care, and community facilities. Every nexus amount will apply to residential development only. The total Visitacion Valley nexus amount for residential development is \$13.13 per gross square foot. The amounts for each category of residential development are shown in Table 1.

Total Nexus Amount per Gross Square Foot, Visitacion Valley

	Nexus Amount per sf
Library	\$0.89
Transportation	\$9.03
Recreation & Parks	\$1.38
Childcare	\$1.37
Community Facilities	\$0.46
Total Nexus per sf	\$13.13

B. Determination of Impact Fee

The Report calculates the nexus in terms of the maximum dollar amount per square foot that could be charged on new residential development to fund supportive infrastructure. The determination for the actual fee amount considers community, Redevelopment Agency and Planning Department goals as well as the potential impact of the fee on development feasibility. The existing Visitacion Valley impact fee is set at \$4.58 per square foot as identified in Planning Code Section 420.2(b).

I. Background

A. Introduction

The City of San Francisco Planning Department (Planning Department) is undergoing the process of rezoning land within Visitacion Valley, as well as other areas of the City. The Visitacion Valley Fee Area is located along the southeastern border of San Francisco and includes the area bounded by McLaren Park to the west, the San Francisco County line to the south, Mansell Street to the north, and Highway 101, Bayview Park, Candlestick Park and Candlestick Point Recreation Area to the east as shown in Figure I-1. This Nexus Study Report (Report) analyzes the relationship, or nexus, between projected new development in the Visitacion Valley Fee Area (fee area) resulting from the rezoning efforts and the cost of providing public facilities to meet increased demand from new residents and workers. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, community facilities and child care.

Since the 1920's, the area has become predominately residential. In recent years a number of development proposals and planning efforts have contributed to the transformation of the area which includes proposals for approximately 4,981 new units, these are:

Visitacion Valley Redevelopment Project Area

The Visitacion Valley Redevelopment Project Area is a 46-acre area including approximately 110 parcels, centered on Bayshore Boulevard and Leland Avenue. Planning of the area has focused on the vacant, former Schlage Lock property off Bayshore Boulevard and the surrounding vacant properties, formerly used for Southern Pacific railroad operations. This area consists of approximately 20 acres of formerly industrial properties adjacent to two transit stations – a Third Street Light Rail station and a Caltrain station. The area includes the Schlage Lock site and surrounding properties, four blocks of Leland Avenue, and a few blocks of properties on the west side Bayshore Boulevard, and Leland Avenue commercial corridor and Bayshore Boulevard. The Visitacion Valley Redevelopment Project Area was established in February, 2009 and projects a total of 1,585 units, which includes an estimated 335 units as infill development along Leland, and 1,250 as part of the Schlage Lock Plan.

Visitacion Valley/Schlage Lock Plan Area

The Visitacion Valley/Schlage Lock Plan, located in the Visitacion Valley Redevelopment Project Area, presents a strategy for redeveloping the former Schlage Lock manufacturing plant, a 20-acre brownfield site, into a vibrant mixed-use and transit-oriented neighborhood. The plan includes new housing, open space, community services, neighborhood serving retail, and the extension of the city street grid across Bayshore Avenue and related streetscape improvements. The project also includes comprehensive stormwater management, brown-field cleanup, and green building requirements.

HOPE SF Sunnydale

San Francisco's largest public housing site, Sunnydale-Velasco ("Sunnydale"), sits at the foot of McLaren Park, San Francisco's second largest park. The 50-acre, 785-unit site is home to more than 1,700 people. Sunnydale is one of the public housing sites chosen for the City's HOPE SF program. HOPE SF seeks to transform San Francisco's most distressed public housing sites into thriving mixed-income communities. The program will provide homes for current residents, add new housing at different income levels, and make related infrastructure upgrades to serve the

expanded development. HOPE SF is a project of the Mayor's Office of Housing, the San Francisco Housing Authority and the San Francisco Redevelopment Agency.

The development of the Sunnydale Master Plan is currently underway and proposes:

- 785 units of replacement housing, plus another 900 units of tax-credit affordable and market-rate units that are integrated in new residential buildings throughout the site.
- A "hub" of activity for the Visitacion Valley community, with a new recreational and educational center, new parks, a community garden, farmer's market, neighborhood-serving retail, and other community services.
- New streets and blocks that are pedestrian oriented, reflect the neighborhood's scale, and are lush with edible landscaping and rainwater retention bioswales.

Executive Park Subarea Plan

The Executive Park Subarea Plan of the Bayview/Hunters Point Area Plan of the General Plan comprises 71 acres located in the southeast portion of the Fee Area. Currently an office park with some housing, the Executive Park Subarea Plan envisions a new mixed use residential neighborhood with public streets and open spaces. Four separate development proposals in the area include a total of 2,564 new housing units, and include a reduction of approximately 300,000 square feet of office space.

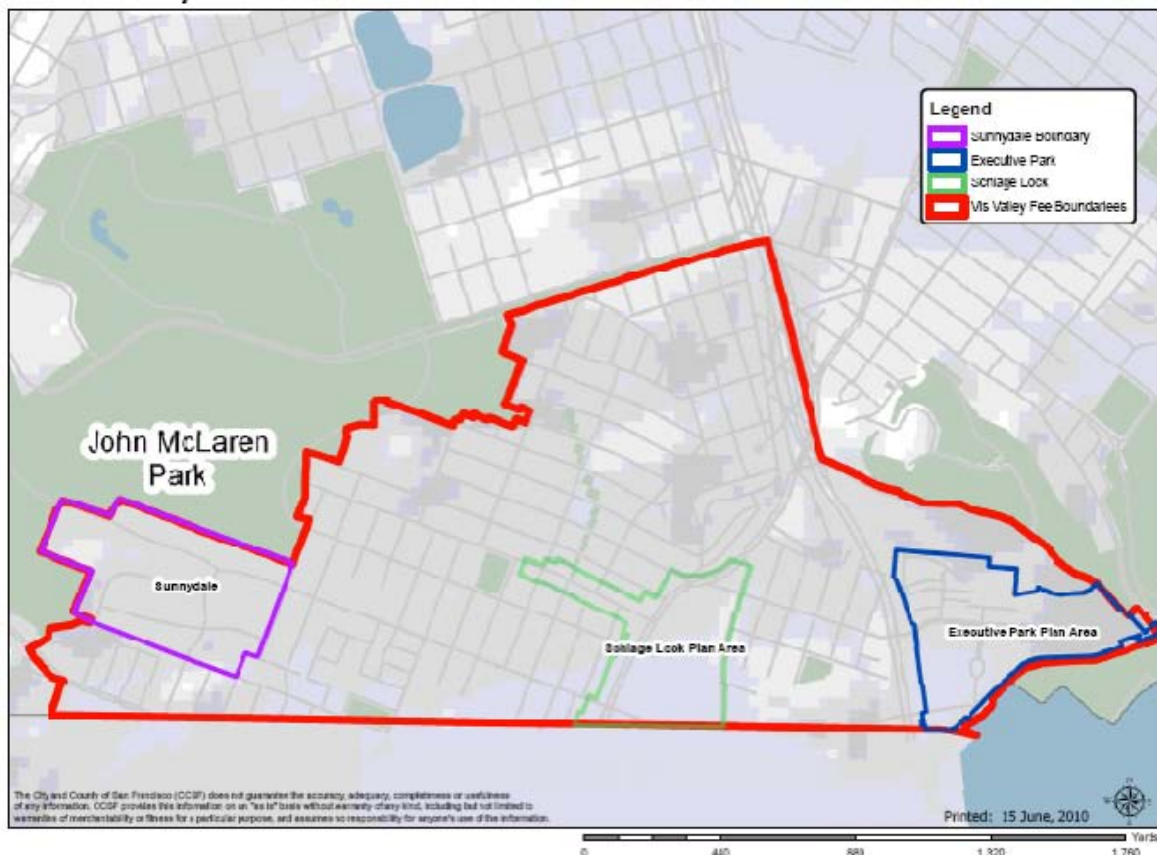


Figure I:1: Boundary of the Visitacion Valley Impact Fee Area and local Area Plans

1. Report Organization

This background chapter presents the nexus study process and methodology, legal basis for assessing impact fees, and the demographic and employment data for the 2010 baseline and projections through 2030 for Visitacion Valley and the City of San Francisco. The chapter also illustrates the use of the data to calculate new residential development.

The accompanying chapters of the Report represent the calculation of individual nexus amounts, as follows:

Chapter II: Library Component

Chapter III: Transportation Component

Chapter IV: Recreation and Parks Component

Chapter V: Child Care Component

Chapter VI: Community Facilities Component

2. Overview of Process

The city engaged the community to solicit input and understand community concerns regarding the large development proposals in the fee area. Community members expressed the need for additional community facilities and amenities to meet the demands of the existing and new population. The city conducted an analysis of existing and future community needs in Visitacion Valley.

The city plans to utilize various measures to meet the neighborhoods' needs, including specific zoning controls, and other regulatory mechanisms and funding sources, comprehensively referred to as "public benefit zoning." Impact fees are one funding source under consideration. Impact fees endeavor to offset the costs of providing public facilities to meet the demands of new development and do not address existing deficiencies.

A nexus study is a critical component to support the imposition of impact fees. This Report fulfills this component of establishing impact fees. The Report discusses the nexus between residents associated with new development and increased needs for a new library, transportation, recreation and parks facilities, community facilities, and child care. However, the Report does not cover all the needs for the area. Some community needs, such as neighborhood-serving retail, are not well suited for impact fees and may require alternative approaches. Others, such as needs for schools and housing, are already addressed by existing impact fees or zoning requirements. Still others, such as police and fire services, are expected to be met by a combination of existing facilities and General Fund revenues.

While the Visitacion Valley fee area is the focus of this Report, the need for facilities also exists throughout the City. The Office of the Controller has analyzed the possibility of establishing impact fees that would apply to new development throughout the City. To this end, the Controller's Office released the Citywide Development Impact Fee Study (Citywide Study) on April 4, 2008, which calculates citywide impact fees for facilities such as child care, recreation and parks, fire prevention, and affordable housing.² The child care and recreation and parks citywide impacts fees are used for this report. Fire prevention services are expected to be met by a combination of existing facilities and General Fund revenues. Residential development is subject to the affordable housing fee, per Article 4 of the Planning Code. The recreation and parks chapter is based on a methodology consistent with the Citywide Study. The Visitacion Valley fee does not consider localized impact fees for fire facilities, although they may be charged through the proposed citywide impact fees.

The proposed impact fee for the Visitacion Valley Fee Area is comprised of five components:

- Library component to help fund the new Visitacion Valley branch library,
- Transportation component to help fund capital improvements to the transportation system,
- Recreation and Parks component to upgrade existing recreation and parks facilities,
- Child Care component to increase the number of local child care spaces to meet demand generated by new residents, and a
- Community Facilities component to enhance opportunities for community activities in the plan area.

3. Overview of Legislative Requirements for Impact Fees

a. Assembly Bill 1600

Impact fees are governed by the California Government Code Sections 66000–66008, commonly referred to by their 1987 authorizing legislation, Assembly Bill 1600 (AB 1600) or the title provided by the legislature, “The Mitigation Fee Act.” AB 1600 established a process for formulating, adopting, imposing, collecting, and accounting for impact fees. Under AB 1600, an “impact fee” means a monetary exaction (other than a tax or assessment) used to defray all or a portion of the cost of additional public facilities needed to provide service to new development. In other words, new development may only be charged for public facilities and improvements needed to accommodate the demand generated by that new development, and the amount of the fee must be in reasonable proportion to that demand.

b. The Quimby Act

Section 66477 of the Government Code (commonly referred to as the Quimby Act) has particular relevance with respect to the recreation and parks component of Impact Fees. The Quimby Act establishes procedures that give cities and counties the authority to require the dedication of parkland or payment of fees in lieu of parkland from a residential subdivision. The Quimby Act establishes a range of three to five acres of parkland per 1,000 resident population as the standard a city may require for parkland dedication.

4. Overview of Nexus Study Data Sources

As part of the nexus study process, City staff reviewed available data to determine the sources and methods that would yield the most accurate development estimates. Some of the factors utilized in the nexus study include:

- Projections of existing and new development (2010-2030).
- Factors that contribute to the need for new facilities, including new household population and trip generation.
- Description of public facilities needed to accommodate new development, based on findings in the Citywide Study and other sources.
- Cost estimates of needed public facilities.
- Anticipated costs to administer the impact fee program.

This information has been assembled for the sole purpose of establishing reasonable estimates for existing and new development for Visitacion Valley for use in this background chapter and associated nexus chapters. However, actual development may vary from the estimates presented in this Report. Furthermore, the nexus amounts calculated here should not be construed as projected revenues since the assessed impact fee differs and the collection of impact fees will only be possible to the extent that new development resulting in fee revenue occurs. For a

detailed description of data sources and methodologies, please refer to individual nexus study chapters.

5. Basis for Allocation of Fees to New Development

In order to determine the amount of the impact fees to be charged to new development, the city must first distinguish between the baseline condition (existing residential development) and the projected development through 2030. The difference between the two reflects the potential level of new development in need of new improvements or facilities and/or the cost to provide them.

6. Type of Development on Which Fees Are Imposed

The Visitacion Valley Impact Fee applies to new residential development. This is a policy decision for the area based on the nature of projected growth, and is consistent with the existing fee, that also only applies to new residential development. The gradual transformation from office and industrial uses to residential uses is detailed in the Summary of Existing and Projected New Development section of this report. In addition, much of the projected non-residential development is associated with the master planning effort of the Visitacion Valley/Schlage Lock plan, which provides a number of public facilities as part of its planning effort to help meet the demands associated with new non-residential development.

For the purpose of this Report, residential development is defined per the Planning Code as any type of use containing dwellings as defined in Section 209.1 of the Planning Code or containing group housing as defined in Section 209.2(a)-(c) of the Planning Code, 790.88, and 890.88 as relevant for the subject zoning district.

B. Summary of Nexus Study Methodology

This section discusses the methodologies used to calculate the library, transportation, recreation and parks, child care, and community facilities nexus amounts.

1. Basic Calculation Process

The basic process calculating an impact fee involves the following steps:¹

Step 1 Estimate the existing household population and number of housing units.

Step 2 Project future household population and number of housing units.

Step 3 Identify the population that will be served by each category of improvement or facility for the relevant service area.

Step 4 Determine facilities and/or improvements needed to serve the projected future population at the appropriate level.

Step 5 Estimate costs for facilities and the portion of these costs that is attributable to new development.

Step 6 Apportion these costs to development according to the projected impact.²

¹ This is a general overview of the methodology used to calculate the Eastern Neighborhoods impact fees; however, individual calculations may be slightly different as described below and in the accompanying chapters.

2. Nexus Study Component Methodologies

The San Francisco Public Library (SFPL) has identified the need for a new expanded branch library in Visitacion Valley. The library nexus amount is based on SFPL's estimated cost per new resident and only applicable to residential development.

The transportation nexus amount is based on the number of trips generated by residential land uses. New trips were calculated from projected new development for residential land use and determined as a percentage of citywide trips. This percentage was then applied to the cost of needed improvements to the City's transportation system.

The City plans to use funds from the recreation and parks component of the broader citywide Impact Fee to upgrade existing recreation parks facilities in the Fee Area. This will ensure that future development bears its fair share of responsibility for the local recreation and parks system. The recreation and parks nexus amount is based on cost per park user.

The citywide Child Care Study is used to calculate the nexus amount for the fee area. The Child Care Study calculates the nexus amount for residential development per type of housing unit based on household demand factors. In the Visitacion Valley fee area, the City applies the same fee evenly for all residential unit types on a square foot basis.

The Visitacion Valley Community Facilities and Infrastructure Fee and Fund, established in 2005, identifies a new community center in Visitacion Valley to serve new residents. The nexus amount is determined by identifying the need for a new community center and calculates the impact of new development to provide a community facility.

C. Data Sources

Demographic data for existing and projected new development provide the foundation for the nexus studies. To determine the amount of the impact fees to be charged to new development, the City must first distinguish between existing development and projected new development through 2030. The average annual growth rates of household population, housing units and jobs (by land use category) were based on projections from ABAG, the development pipeline, and information on underutilized sites.

Each of the subsequent chapters provides specific details as to how the demographic data is used for computation of a particular nexus amount.

1. Baseline for Existing Development

The baseline year for measuring population and employment growth is 2010. This is the year the nexus study was written. These growth rates were then used to estimate growth between 2010-2030 in order to arrive at the 2010 baseline shown in Tables I-1, and II-2.

2. Projected Growth

The development projections in this nexus study assume a development horizon through 2030. This is consistent with other citywide plans, and with the timeline horizons in the fee areas

² The calculation of the nexus amounts is based on gross square footage for residential development, assuming 80% efficiency.

environmental impact reports. Therefore, new development is considered as projected growth between 2010 and 2030 in the Visitacion Valley Fee Area and within San Francisco.

D. Existing Demographic and Employment Data

1. Existing Household Population and Housing Units

In 2010, San Francisco's household population was estimated at 794,200, of which approximately 21,226 are residents in the Visitacion Valley Fee Area. The average household size in the fee area is 3.74 persons per household, higher than the citywide average of 2.16 as shown in Table I-1.

**Table I-1: Existing Household Population and Housing Units
Visitacion Valley Fee Area and San Francisco (2010)**

	Visitacion Valley Fee Area	San Francisco
Household Population	21,226	794,200
Housing Units	5,667	367,600
Households*	5,454	346,680
Persons per Housing Unit	3.74	2.16
Persons per Household	3.89	2.28

*Household: An occupied housing unit

2. Existing Employment and Non-Residential Development

In 2010, the number of San Francisco employees was estimated at 570,000 of which approximately 2,960 are employees in the Visitacion Valley Fee Area.

E. Projected New Development

1. Projected New Household Population and Housing Units

Over the next 20 years (2010 -2030), the Fee Area is projected to gain 4,356 housing units. During the same period San Francisco is projected to gain approximately 54,300 new housing units. The number of household residents is projected to increase by 9,925 in the Fee Area and by 115,100 citywide, as shown in Table I-2. Following citywide trends, the persons per household is expected to decrease within the Fee Area from 3.89 to 2.28. Projected new development is expected to produce smaller dwelling units, based on zoning code requirements, thus accommodating fewer people per household.

**Table I-2: Projected Growth of Household Population and Housing Units
Visitacion Valley Fee Area and San Francisco 2010 to 2030**

	Visitacion Valley Fee Area	San Francisco
Household Population	9,925	115,100
Housing Units	5,162	54,300
Persons per Household	2.28	2.12

2. Projected New Employment and Non-Residential Development

The Fee Area is projected to gain roughly 50 new jobs between 2010 and 2030. While some new non-residential development is expected, the removal of office space results in a negative net gain as shown in Table I-3. Most of the new employment is expected to be in retail and cultural, institutional or educational settings.

Table I-3: Projected Growth in Employment and Non-Residential Development Visitacion Valley Fee Area (2010 to 2030)

Non-Residential Land Use	New Employment	New Development
Cultural/Institutional/Educational	45	16,500
Motel/Hotel	-	-
Medical	-	-
Office	(637)	(300,000)
Retail	644	237,200
Industrial/PDR	-	(39,377)
Total Employment/Development	52	(85,677)

San Francisco will gain 177,400 jobs between 2010 and 2030, according to the Planning Department's estimates, as shown in Table I-4. The majority of these jobs 96,200, will be created in office occupations, and a significant increase of 32,900 jobs will occur in retail. 65,384,733 square feet of non-residential development is projected to occur in San Francisco.

Table I-4: Projected Growth in Employment and Non-Residential Development San Francisco 2010 to 2030.

Non-Residential Land Use	New Employment	New Development
Cultural/Institutional/Educational	17,900	6,819,996
Motel/Hotel	5,000	2,097,088
Medical	14,100	5,201,743
Office	96,200	24,446,993
Retail	32,900	12,647,669
Industrial/PDR	11,300	14,172,244
Total Employment/Development	177,400	65,385,733

Source: Adapted from ABAG Employment Projections 2009 using employment densities calculated using business establishment data from Dun & Bradstreet.

F. Summary of Existing and Projected New Development

This chapter has described existing and projected development in the Fee Area and citywide for the calculation of the Visitacion Valley nexus amounts, in addition to background information on the Report organization, nexus study process, legal basis for impact fees, and methodology. It contains information regarding population, housing units, employment, and non-residential square feet of development. The nexus between new development and needed facilities will be based on new development's proportionate share of the total foreseeable population, employment and other factors. A summary of population, employment and development projections for the Fee Area and San Francisco (2010-2030) is summarized in Table I-5. These will be used in the following chapters to calculate the nexus between new residential development and needed infrastructure.

Table I-4 Summary of Key Background Information for Nexus Study

VISITACION VALLEY FEE AREA			
Residential	Existing (2010)	New	Total (2030)
Household Population	21,226	9,925	31,151
Housing Units	5,667	5,162	10,023
Employment by Land Use	Existing (2010)	New	Total (2030)
Cultural/Institutional/Educational	575	45	620
Motel/Hotel	-	-	-
Medical	25	-	25
Office	747	(637)	110
Retail	282	644	926
Industrial/PDR	1,331		1,331
Total Employees	2,960	52	3,012
Square Footage by Land Use	Existing (2010)	New	Total (2030)
Residential	7,039,367	5,053,560	12,092,927
Cultural/Institutional/Educational	265,124	16,500	281,624
Motel/Hotel	-	-	-
Medical	13,070	-	13,070
Office	351,867	(300,000)	51,867
Retail	280,145	237,200	517,345
Industrial/PDR	205,587	(39,377)	166,210
Total Square Footage	8,155,160	4,967,883	13,123,043
SAN FRANCISCO			
Residential	Existing (2010)	New	Total (2030)
Household Population	794,200	115,100	909,300
Housing Units	367,600	54,300	421,900
Employment by Land Use	Existing (2010)	New	Total (2030)
Cultural/Institutional/Educational	58,300	17,900	76,200
Motel/Hotel	20,100	5,000	25,100
Medical	37,500	14,100	51,600
Office	293,900	96,200	390,100
Retail	96,000	32,900	128,900
Industrial/PDR	64,200	11,300	75,500
Total Employees	570,000	177,400	747,400
Non-Residential	Existing (2010)	New	Total (2030)
Residential	374,775,344	54,020,000	428,795,344
Cultural/Institutional/Educational	18,974,640	6,819,996	31,375,320
Motel/Hotel	26,819,388	2,097,088	28,916,476
Medical	9,678,360	5,201,743	17,169,133
Office	118,339,325	24,446,993	142,786,318
Retail	55,488,838	12,647,669	68,136,507
Industrial/PDR	42,069,222	14,172,244	56,241,466
Total Square Footage	646,145,117	65,385,733	773,420,564

Source: Adapted from ABAG Employment Projections 2009 using employment densities calculated using business establishment data from Dun & Bradstreet. 2010 numbers come from CoStar, San Francisco Department of Building Inspections, San Francisco Office of the Assessor and Dun & Bradstreet.

II. Library Component

This chapter presents support for the library component of the Visitacion Valley Fee Area nexus amount. This chapter builds upon Chapter I of this Report, which includes projections of new residential population and development.

A. Summary of Library Nexus Amount

Individual nexus components calculated in each chapter of this Report will be combined to determine a Visitacion Valley Fee Area nexus amount. The proposed library nexus amount is \$.89 per residential square foot as shown in Table II-1.

Table II-1: Summary of Library Nexus Amount

	Library Nexus Amount per sf
Residential	\$0.89

B. Purpose and Use of Potential Revenues

The San Francisco Public Library (SFPL) has identified the need for a new expanded branch library in Visitacion Valley³. The existing library operates out of a small leased storefront on Leland Avenue. A larger expanded library is currently under construction to serve neighborhood needs and the growing residential and library user population. The Visitacion Valley branch library will be a stand alone library (approximately 8,500 square feet) owned by the City. The new library is partially funded by a November 2000 General Obligation bond measure. Additional funds are to be provided from library preservation funds, rents and bonds interest proceeds, and development impact fees. The City proposes to require new residential development in the Fee Area to pay a library impact fee based on the library nexus amount calculated in this chapter.

C. Calculation of Library Nexus Amount

1. Demographic Assumptions

Sections D and E of Chapter I outline the demographic assumptions for the fee area. However, the proposed new library services a larger geography. See Appendix A for a discussion of how the library user population was identified and used to calculate the library component. The calculations use a baseline year of 2010 and project development through 2030.

2. Summary of Costs

The construction cost of the new Visitacion Valley branch library is \$13,398,281. The Library nexus amount is \$0.89 per residential square foot. The Fee Area expects to generate roughly \$2 million for the library.

D. Library Nexus Amount

As the library will serve a population larger than just the Fee Area, the nexus calculation takes into account all users of the proposed library, including existing and potential users outside of the

³ Branch Facilities Plan, San Francisco Public Library, 2006. The Branch Library Improvement Program was initiated under Proposition A in 2000.

Fee Area. The San Francisco Public Library estimated library users based on existing trends and knowledge about usage rates (see Appendix A). By 2030, the library is projected to have 30,908 users. This determination is based on information provided by San Francisco Public Library staff.

The calculation of the library nexus amount is described here and shown in Table II-3. Total library construction cost is divided by the library user population estimated in 2030. This results in a cost per library user (\$433). The cost per library user (\$433) is multiplied by the projected persons per household (2.28) for new development to derive a cost per housing unit. A 4 percent fee to cover program administration is then added to determine a total nexus amount per housing unit (\$1,038). Since fees will be allocated to residential development on a square-foot basis, the nexus amount per housing unit is divided by the average square feet of a housing unit (approximately 1,160 sf), as projected by the Planning Department, to arrive at the library nexus amount of \$0.89 per residential square foot.

Table II-2: Library Nexus Calculation and Amount

Factor	Calculation	Result
(A) Library Construction Cost ^a		\$13,398,281
(B) Total New Library Users - 2030		30,908
(C) Cost per Library User	(A)/(B)	\$433
(D) Persons per Household		2.28
(E) Cost per Housing Unit	(C)*(D)=E	\$988
(F) Program Administration ^b	(E)*4%	\$40
(G) Total Nexus Amount per Housing Unit	(E) + (F)	\$1,028
(H) Average Gross SF per Housing Unit ^c		1160
Library Nexus Amount per Residential Square Foot	(G)/(H)	\$0.89

a. Source: San Francisco Public Library.

b. Administrative Fee is calculated as 4 percent of costs to cover program administration.

c. Projected average housing unit size based on Planning Department estimates.

III. Transportation Component

This chapter presents the facts and reasoning supporting the transportation component of the Visitacion Valley nexus amount. The calculation methodology for the nexus amount is explained in this chapter along with the purpose and use of potential revenues.

A. Summary of Transportation Nexus Amount

Based on the methodology and information presented in this chapter, the transportation nexus amount is \$9.03 per square foot, calculated for residential land uses, and summarized in Table IV-1 below. The components calculated in each chapter of this Report will be combined to determine a Visitacion Valley Fee Area nexus amount.

Table III-1: Summary of Transportation Nexus Amount

	Transportation Nexus Amount per sf
Residential	\$9.03

B. Purpose and Use of Potential Revenues

The City plans to use funds from the transportation component of the Impact Fee to provide capital improvements to the transportation system which services the Fee Area, including transit, streets, and sidewalks. This will ensure that future development contributes its fair share to sustaining basic standards for the local transportation system.

Fee revenues will not be applied to correct existing deficiencies. Rather, revenues will be used to make improvements to the transportation system to accommodate increased usage resulting from new development.

The potential transportation revenues will fund transit capital improvements including equipment, facilities, fleet, and infrastructure. Streets and right-of-way improvements to be funded include City capital projects such as new street design, street improvements and street restructuring to be maintained by the City over the long term. The transportation component is intended to fund necessary capital improvements to support the many modes by which people travel, including by transit, auto, bicycle, and on foot.

C. Type of Development on Which Fees Are Imposed.

The transportation component applies to residential development in the Fee Area. Non-residential construction is subject to the Citywide Transportation Development Impact Fee (TIDF).

D. Calculation of Transportation Nexus Amount

The approach to the transportation nexus amount relies on identifying the impact of new development in the Fee Area relative to the projected future needs for transportation improvements to accommodate new development citywide. The transportation system in San Francisco operates as a citywide system; therefore improvements necessary to support new residents in the Fee Area are not restricted to a specific geography. Rather, improvements are viewed from the citywide perspective, and travel demand is utilized to determine the portion attributable to the Fee Area. The nexus amount is calculated as follows:

- Forecast future travel demand in order to determine the relationship between new Fee Area trips and total citywide trips.
- Determine projected total unfunded citywide transportation capital expenditures from 2010–2030.
- Apply ratio of new Fee Area trips to net citywide costs to determine costs attributable to new development.
- Calculate cost per new trip and apply cost per trip to applicable land use using trip generation rates to arrive at a nexus for the Fee Area.

1. Trip Assumptions

Trip generation measures the number of trips generated per unit or square feet, according to land use. The total number of trips is the metric for gauging the transportation impact caused by new residential development in the Fee Area. Total daily citywide travel demand through 2030 is based on the San Francisco County Transportation Authority’s travel demand forecasting model (SF-CHAMP Model). The SF-CHAMP model is an activity based travel demand model that predicts future travel by mode for transit, auto, bicycle, and pedestrian trips. To determine the number of daily trips attributable to residential development in the Fee Area, the residential development unit projection is converted into trips. Refer to Appendix B for trip generation rates per land use.

Table III-2: New Visitacion Valley Fee Area Trips

New Visitacion Valley Fee Area Residential Units (2030)	4,356
Average Trip Rate per Unit ^b	8.5
New VV Residential Trips	37,026

a. Transportation Impact Analysis Guidelines (2002), Planning Department -Major Environmental Analysis

New residential daily trips in the Visitacion Valley Fee Area are divided by total citywide daily trips in order determine the proportional transportation impact caused by new residential development in the Fee Area as shown in Table III-3.

Table III-3: New Visitacion Valley Fee Area Trips as Share of Total Citywide Trips

New Visitacion Valley Fee Area Daily Residential Trips ^a	37,026
Total Citywide Daily Trips ^b	8,660,439
New VV Residential Trips % of Total Citywide Trips	0.43%

a.Total daily residential development related trips in the Fee Area in 2030 calculated using trip rate for residential development and projected residential square footage in 2030.

b.Total Citywide daily person trips in 2030, San Francisco County Transportation Authority (SFCTA) Citywide 2030 trip projections.

Source: Planning Department, San Francisco County Transportation Authority (SFCTA)

2. Citywide Capital Costs

The calculation of the total projected citywide costs for transportation capital improvements through 2030 is based on total costs attributable to transit, streets and right of way improvements, as described below and shown in Table III-4:

- Transit improvement costs are based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25. This is the only available estimate of future citywide transit costs at time of Report. Costs have been escalated to 2010 dollars using the average annual Consumer Price Index for the Bay Area. Transit capital costs include four major capital programs: fleet, infrastructure, facilities, and equipment. MTA defines capital projects as investments in rolling stock, equipment, or physical plant, the costs of which are not covered in the operating budget and which have a depreciable life of more than five years. The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate. The unfunded portion of the SRTP requires considerable revenue generation to meet these goals. A combination of national, state and local funds will be required to fill this gap. The City anticipates that national and international trends to reduce green house gas emissions will result in increased revenue for transportation investments particularly in core urban areas.
- Streets and right of way improvement costs are based on General Fund Draft Capital Plan for Streets and Rights-of-Way, 2009-2018. Streets and right of way projects include street, sidewalk, and irrigation reconstruction, and street trees.
- All costs reflect only the amount of capital costs that are currently unfunded. Appendix B presents more detail on costs.

Table III-4: Projected Total Citywide Transportation Costs 2010–2030

	Total Unfunded Capital Costs^a
Transit ^b	\$9,740,203,548
Streets and Right of Ways ^c	\$462,306,302
Total Costs^d	\$10,202,509,850

- In FY 2009/10 dollars Based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25.
- The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.
- Based on the costs in General Fund Draft Capital Plan for Street and Rights-of-Way.
- Further detail on costs can be found in Appendix B.

Source: San Francisco Municipal Transportation Agency (SFMTA), Capital Planning Committee

3. Cost per Trip

In order to determine the capital costs attributable to new residential development in the Fee Area, the ratio of new area trips to total citywide trips is applied to total citywide costs as shown in Table III-5.

Table III-5: Transportation Costs Attributable to New Development a Visitacion Valley Fee Area 2010–2030

Total Net Citywide Costs ^b	\$10,202,509,850
New VV Residential Trips % of Total Citywide Trips ^c	0.43%
Costs Attributable to VV New Residential Development	\$43,870,792

- a. All costs in 2010 dollars.
- b. Unfunded cost of citywide transportation capital improvements attributable to existing and new development, as shown in Table IV-3.
- c. As calculated in Table IV-2.

Source: San Francisco Municipal Transportation Agency (SFMTA), San Francisco County Transportation Authority (SFCTA), Capital Planning Committee, Planning Department

After determining the costs attributable to new residential development in the Fee Area, the costs are divided by total new Fee Area trips to arrive at a cost per trip. A four percent fee to cover program administration is then applied to determine a total cost per trip, as shown in Table III-6.

Table III-6: Cost per Trip

Costs Attributable to VV New Residential Development	\$43,870,792
Total New VV Residential Trips	37,026
New VV Cost per Residential Trip	\$1,185
Program Administration ^a	\$47
Total Cost per Daily Residential Trip	\$1,232

- a. Administrative fee is calculated at 4 percent of costs to cover program administration.

Source: San Francisco Municipal Transportation Agency (SFMTA), San Francisco County Transportation Authority (SFCTA), Capital Planning Committee, Planning Department

E. Transportation Nexus Amount

The daily trip rate provides a method for understanding the relationship between the impacts different land uses have on the transportation system in a 24-hour period. In order to arrive at a nexus amount per square foot, the daily trip rate (i.e. number of trips) per residential unit is multiplied by the cost per daily trip. The nexus amount per housing unit is then divided by the gross square footage of the average unit, as projected by the Planning Department. The nexus amount for residential land uses is divided by the estimated size of a typical residential unit (1,160 sf) to yield a nexus amount per square foot of new development, as shown in Table III-7. This results in a nexus of \$9.03 per square foot.

Table III-7: Transportation Nexus Amount

Cost per Daily Residential Trip	\$1,232
Trip Rate per Unit ^a	8.5
Nexus Amount per Unit	\$10,472
Nexus Amount per square foot	\$9.03

- a. Transportation Impact Analysis Guidelines (2002), Planning Department.

IV. Recreation and Parks Component

This chapter presents the facts and reasoning to support the recreation and parks component of the nexus amount. The calculation methodology for the nexus amount is explained in this chapter along with the purpose and use of potential revenues.

Table IV-1: Summary of Recreation & Parks Nexus Amount

	Recreation & Parks Nexus Amount per sf
Residential	\$ 1.38

A. Purpose and Use of Potential Revenues

The City plans to use funds from the recreation and parks component of the broader Impact Fee to expand and improve facilities to accommodate increased park usage by residents. This will ensure that future development bears its fair share of responsibility for the local recreation and parks system. The potential recreation and parks revenues will fund capital improvements to existing parks and supporting facilities (such as signage and bathrooms), expansion of trails, and construction and renovation of playgrounds, playing fields, and outdoor courts, as well as other amenities. Enhanced facilities will be needed to meet additional demand from new development. Fee revenues will not be applied to correct existing deficiencies.

B. Calculation of Recreation and Parks Nexus Amount

1. Demographic Assumptions

Chapter I outlines the demographic assumptions used to calculate the recreation and parks nexus amount. The calculations use a baseline year of 2010 and projected new development through 2030.

2. Need Factor

The entire projected Fee Area residential population is expected to access or use parks or recreational facilities in the area. In addition, workers in the area will utilize area parks, however, at a lower demand rate than residents since their park use is limited to the work period. Total park users include both residents and workers or commercial users. The calculation of park users is shown in Table IV-2 below. There may be a small population of individuals who are both workers and residents within the Fee Area. However this population is projected to exert a negligible effect on the nexus calculation; for this reason neither population is reduced. This results in a slightly conservative estimate of new residential demand for parks and recreation facilities.

Table IV-2: New Park Users In Fee Area (2030)

	Calculation	Result
(A) Residential Users		31,151
(B) Total Jobs (2030)		3,012
(C) Commercial user rate ^a		0.24
(D) Commercial Users	(B)*(C)	723
(E) Total Park Users ^b	(A)+(D)	31,874

a. The .24 demand rate is calculated as a percentage of hours of use on community infrastructure. Residents place 168 hours of weekly demand on community infrastructure, and workers, 40 hours of weekly demand on community infrastructure. Relative use rates are thus calculated as 1 for residential

use, and .24 for non-residential use. For more information regarding this analysis please see *The Market and Octavia Draft Community Improvements Program Document, San Francisco Planning Department (2007)*.

3. Summary of Improvement Costs

The Recreation and Parks Department estimated capital costs for parks improvements inside the Fee Area as well as for parks nearby yet outside that serve residents inside the Fee Area. Parks improvements related to the Fee Area primarily include upgrades to existing parks and recreation facilities. While park needs include expansion of some existing parks, the acquisition of new parkland is not expected since needs can be accommodated with upgraded and expanded existing facilities. Estimated parks costs for relevant parks and recreation capital improvements expected over the next 20 years are included in Table IV-3.

Table IV-3: Visitacion Valley Fee Area Recreation and Parks Capital Improvement Costs (2010–2030)

	Capital Improvement Costs	Relevant Fee Area Costs for Nexus
Parks within Fee Area		
Visitacion Valley Playground	\$1,759,136	\$1,759,136
Visitacion Valley Greenway	\$808,235	\$808,235
Little Hollywood Park	\$1,250,601	\$1,250,601
Kelloch & Velasco Park	\$946,216	\$946,216
Herz Playground	\$292,071	\$292,071
Coffman Pool	\$2,599,725	\$2,599,725
Parks bordering Fee Area^a		
Bayview Park (57.89%)	\$4,495,806	\$2,602,622
Crocker Amazon Playground (13%)	\$23,118,231	\$3,005,370
McLaren Park (34.17%)	\$23,346,481	\$7,977,493
Total Park Capital Improvement Costs	\$58,616,502	\$21,241,469

a. Since parks bordering the Fee Area are used by a mix of residents both within and outside the Fee Area, only a portion of capital costs for these parks are accounted for in the nexus. See Appendix C for methodology used for these parks.

Source: Recreation and Parks Department

C. Nexus Amount Calculation

The calculation of the recreation and parks nexus amount is described here and shown in Table V-4. Total parks capital improvement cost is divided by the park user population estimated in 2030. This results in a cost per park user (\$666). The cost per park user (\$666) is multiplied by the projected persons per household (2.28) for new development to derive a cost per housing unit. A 4 percent fee to cover program administration is then added to determine a total nexus amount per housing unit (\$1,595). Since fees will be allocated to residential development on a square-foot basis, the nexus amount per housing unit is divided by the average square feet of a housing unit (approximately 1,160 sf), as projected by the Planning Department, to arrive at the parks and recreation nexus amount of \$1.38 per residential square foot.

Table IV-4: Recreation and Parks Nexus Amount

Factor	Calculation	Result
(A) Parks Capital Improvement Costs ^a		\$ 21,241,469
(B) Total New Park Users - 2030		31,874
(C) Cost per Park User	(A)/(B)	\$ 666
(D) Persons per Household		2.28
(E) Cost per Housing Unit	(C)*(D)=E	\$1,519
(F) Program Administration ^b	(E)*4%	\$61
(G) Total Nexus Amount per Housing Unit	(E) + (F)	\$1,580
(H) Average Gross SF per Housing Unit ^c		1160
Recreation & Parks Nexus Amount per Residential Square Foot	(G)/(H)	\$1.36

a. Source: Recreation and Parks Department.

b. Administrative Fee is calculated as 4 percent of costs to cover program administration.

c. Projected average housing unit size based on Planning Department estimates.

V. Child Care Component

This chapter presents the facts and reasoning supporting the child care component of the Visitacion Valley Fee Area nexus amount. This chapter builds upon the Citywide Child Care Nexus Study (Child Care Study). In order to remain consistent with the citywide Child Care Study, the nexus amount for the child care component in this study is calculated using the same methodology.¹ This chapter presents the purpose and use of the nexus amount, summarizes the methodology of the existing study and converts the fees on residential development, from unit based, to square feet.

A. Summary of Child Care Nexus Amount

As stated in Chapter I, the components calculated in each chapter of this report will be combined to determine a nexus amount. Based on the nexus amount, the City will determine a feasible impact fee.

Table V-1: Summary of Child Care Nexus Amount

Land Use	Child Care Nexus Amount (per sf)
Residential	\$1.37

B. Purpose and Use of Potential Revenues

The purpose of the child care component is to increase the number of local child care spaces to meet demand generated by new residents. The City will utilize revenues to construct new facilities or provide funding for the expansion of existing facilities. The types of facilities that may receive funding from the impact fee revenues include freestanding child care centers, family child care homes, and child care centers in schools and commercial establishments. The costs for each of these alternatives vary and are discussed in more detail below.

C. Type of Development on Which Fees Are Imposed

The child care fee is applied to new residential development in the Fee Area.

1. Residential Development

The Child Care Study calculates the nexus amount for residential development per type of housing unit based on household demand factors. In doing so, they estimate the expected impact of particular types of development on existing facilities based on the number of new residents or workers that development is projected to produce. The residential development types include:

- Single Family
- Multifamily (0–1 BR)
- Multifamily (2+ BR)
- Single Room Occupancy (SRO)

In the Visitacion Valley Fee Area, the City plans to apply the same fee evenly for all residential unit types on a square foot basis. Based on the Child Care Study, it is assumed that SRO and senior units will not generate any children by definition and are therefore excluded from the child care fee. The fee is converted from a per-unit nexus amount to a square-foot nexus amount.

D. Calculation of Child Care Nexus Amount

1. Demographic Assumptions

The Child Care Study uses statistics for projected new population and housing units by square foot of residential development. The nexus is established for all new residents as well as new workers. Workers who also reside in San Francisco have been excluded in order to avoid double counting them as workers and residents. While the Child Care Study excluded Mission Bay, Rincon Hill and Visitacion Valley from their calculation, the study methodology does not relate to individual neighborhoods and so can be applied anywhere in the City.

2. Methodology

After establishing the demographic projections on which to base the nexus, the Child Care Study sets forth need factors for both residents and workers. To calculate the need factor for residential development the study first estimates the number of children in three different age cohorts (Infants, Preschool and School Age) based on population projections by the Department of Finance, as children within these cohorts have varying needs for child care. Then, it applies labor force participation rates for parents of children in each cohort to calculate the number of children with either two working parents or a single working parent in order to approximate the number of children without a parent as a caretaker.

Finally, it subtracts a percentage of children across each cohort that do not need a licensed child care space to arrive at a total number of resident children needing licensed care per 1,000 residents.³ The Child Care Study establishes a need factor of 52.7 licensed child care spaces per 1,000 residents. In calculating the nexus amount for non-residential development, the Child Care Study subtracts out workers who live in San Francisco in order to avoid double counting their impact as workers and residents. Thus, the calculation only includes those individuals who work in San Francisco, but reside elsewhere. The study assumes that 44.8 percent of workers in the City live elsewhere. Of that group, the study assumes, based on employer surveys, that 5 percent would bring their children into the City and, thus, would require child care. Therefore, the need factor for non-residential development is 22.4 licensed spaces per 1,000 workers.

3. Summary of Costs

The cost of providing licensed child care spaces varies dramatically by type. Creating a new child care center costs \$27,400 per space, while spaces in new, small family child care homes cost only \$500 according to the Child Care Study. On the other hand, a new child care space in a school or commercial space costs \$8,333 or \$13,700, respectively. The study notes the difficulty of predicting where new spaces will be provided, and so it averages the cost across all types of care, which brings the average cost per space to \$12,325. Developers have the option of paying a linkage fee to be used to provide child care space offsite or providing indoor and outdoor space onsite according to state licensing requirements for different residential and non-residential land uses.

E. Calculation of Residential Nexus Amount

As noted in Section C above, the Child Care Study applies fees to residential development on a per-unit basis. The Planning Department finds it more appropriate to charge residential development on a per-square-foot basis. This prevents smaller units from being charged the same impact fees as larger units. Thus, the residential portion of the citywide fees has been converted to a nexus amount per square foot. This conversion will also allow the child care nexus amount

to remain consistent with the nexus amounts calculated in previous chapters of this report. The conversion is based on average unit sizes used by the Child Care Study and is shown in Table V-2.

Table V-2: Residential Child Care Nexus Amount, per Square Foot

Type of Development ^a	Impact Fee Per Unit ^b	Average Gross sf/unit ^c	Nexus Amount per sf
Single Family	\$2,272	1,660	\$1.37
Multifamily (0-1 BR)	\$1,493	1,090	\$1.37
Multifamily (2+ BR)	\$1,704	1,250	\$1.37

a. Excludes SRO and senior developments per Citywide Study methodology.

b. As calculated in the Citywide Study.

c. Average based on equivalent dwelling unit (EDU) calculation in Citywide Study.

Source: Citywide Development Impact Fee Study and Seifel Consulting Inc.

VI. Community Facilities Component

Existing fee legislation identifies the use of an impact fee to fund a new community center in Visitacion Valley to serve new residents. This chapter presents the facts and reasoning supporting the community facilities component of Visitacion Valley Fee Area nexus amount. The calculation methodology for the nexus is explained in this chapter along with the purpose and use of potential revenues.

A. Summary of Community Facilities Nexus Amount

Based on the methodology and information presented in this chapter, the community facilities nexus amount is calculated and summarized in Table VI-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine a nexus amount. Based on the nexus amount, the City will determine a feasible impact fee.

Table VI-1: Summary of Community Facilities Nexus Amount

Land Use	Community Facilities Nexus Amount (per sf)
Residential	\$.46

B. Purpose and Use of Potential Revenues

The purpose of the community facilities component is to help fund capital improvements for a community center in the Visitacion Valley area. The need for a new community facility was identified through the community planning efforts completed in the Visitacion Valley Fee Area.

C. Calculation of Community Facilities Nexus Amount

The nexus for community facilities addresses the identified need for a new community center and determines the impact of new development on providing such a community facility. The larger population at the horizon time (2030) is used to determine the impact each individual will have and the need for a new community center. The total cost of constructing a new community center in Visitacion Valley is estimated at \$7,000,000. As shown in Table VI-3, the community facilities nexus amount is \$0.46 per square foot of residential development.

Table VI-2: Community Facilities Cost per User

Factor	Calculation	Amount
(A) Community Center Demand Per Square Feet ^a		14,000 sf
(B) Estimated Cost of Center ^b		7,000,000
(C) Total New Users		31,151
(D) Cost per User	(B)/(C)	\$ 225
(E) Program Administration ^c	(D)*4%	\$ 9
(F) Total Cost per User	(D)+(E)	\$ 234

a. Based on average size of existing community facilities in the area (VV Community Center 7,800 SF; Sunnydale Boys and Girls Club 22,500SF; VV Boys and Girls Club, 14,300SF; future Schalge Locke Community 11,900SF).

b. Estimated construction cost of \$300 per square foot, plus 2/3 soft cost.

c. Program Administration cost is calculated as 4 percent of costs to cover program activities.

Table VI-3: Community Facilities Nexus Amount

Factor	Calculation	Amount
(A) Cost per user		\$ 234
(B) Persons per Household		2.28
(C) Cost per Housing Unit	(A)*(B)	\$533
(H) Average Gross SF per Housing Unit		1,160
Community Facilities Nexus Amount per Residential square foot	(G)/(H)	\$ 0.46

VII. Impact Fee Maintenance

Ongoing updates of the impact fee through annual indexing and periodic revisions. In order to stay current with the increasing costs of building facilities, transportation improvements, child care spaces, and recreation facilities and parks, the Visitacion Valley Impact Fee should be reviewed on an annual basis and updated based on appropriate indices. This will allow the City to collect enough funds to construct its facilities and provide services to serve new development, even as the costs of construction, land, labor, and other inputs fluctuate. Additionally, it may also be the case that, with time and new information, the methodologies used to calculate the nexus amount may need to be revised. Thus, in order to ensure the impact fee is as relevant as possible to the needs of the community in the Visitacion Valley Fee Area, further review may be required every five to six years, including a complete evaluation of the methodologies outlined in this Report.

VIII. Appendices

Appendix A. Library User Methodology

Appendix B. Transportation Trip Generation and Costs

Appendix C. Citywide Study: Recreation and Parks

Appendix A. Library User Methodology

The San Francisco Public Library (SFPL) provided the Planning Department with projected Visitacion Valley branch library user estimates by census tract⁴. The SFPL estimates population of nearby census tracts at varying rates to derive an estimated library user population. These census tracts do not follow the exact geographic boundaries of the proposed Visitacion Valley Fee Area and use only partial populations of some tracts. For this reason, the total library user population estimated for the Visitacion Valley branch library is different than the population projection for the Fee Area.

Table VIII-1 identifies census tracts and estimated percentages of library users per tract. This information was used to calculate an estimated Visitacion Valley library user population in 2030 based on Planning Department population projections. This estimate (30,908) is used in the library nexus calculation in Chapter II.

Table VIII-1: Visitacion Valley Estimated Library User Population

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Census Tract	% of Population Estimated Library Users	Total Population (2010)	Existing Library Users (2010)	Projected Total Population (2030)	Projected Library Users (2030)	New Projected Library Users in Fee Area (G)=(F)-(D)
258	25%	1,907	477	1,954	489	
259	25%	4,285	1,071	4,323	1,081	
264.01	100%	3,893	3,893	3,912	3,912	19
264.02	100%	4,119	4,119	4,132	4,132	13
264.03	100%	4,186	4,186	4,987	4,987	801
264.04	100%	2,511	2,511	2,556	2,556	45
605.01	50%	690	345	690	345	
605.02*	100%	3,505	3,505	6,405	6,405	2,900
610	33%	2,523	833	21,216	7,001	6,168
		24,114	20,940	43,770	30,908	9,946

* Census tract added by Planning Department as relevant to user base.

Source: San Francisco Public Library, Planning Department.

Bolded census tracts indicate tracts within Fee Area.

⁴ Email to Planning Department from Jill Bourne, San Francisco Public Library (July 15, 2010).

Appendix B. Transportation Trip Generation and Costs

Table VIII-2: Residential Trip Generation Rate

Land Use Type	Rate per Land Use
Residential	8.5/unit*
2+ Bedrooms	10/unit
1 bedroom/studio	7.5/unit
Senior Housing	5/unit

*Residential trip rate is calculated by assuming 50% of units are 2+ bedrooms, 40% are 1-bedroom/studio, and 10% are senior.

Source: Planning Department, Transportation Impact Analysis Guidelines (2002)

(see Appendix C Trip Rate Detail by Land Use Category. This conversion is shown in Table IV-2.)

Table VIII-3: Transit Capital Cost Detail San Francisco

Capital Program Category	Total Unfunded Costs ^a
Equipment	\$601,606,215
Facilities	\$375,268,351
Fleet	\$991,943,640
Infrastructure	\$7,055,028,390
Replacement/Refurbishment ^b	\$351,750,402
Total (FY 2007/08 dollars)	\$9,375,596,998
Total (2010 dollars)^c	\$9,740,203,548

Source: Draft SFMTA FY 2008–2027 Short Range Transit Plan CIP

a. Includes projected expenditures for FY 2007/08–FY 2025/56.

b. Unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.

c. Costs have been escalated to 2010 dollars using the average annual Consumer Price Index for the Bay Area (ABAG).

Table VIII-4: Streets and Right of Way Capital Cost Detail, San Francisco

Program/Project	Total Unfunded Costs ^a
Street Reconstruction	\$150,650,000
Street Structures	\$70,058,000
Street Trees	\$20,416,000
Irrigation Repairs and Upgrades	\$29,218,000
Great Streets Program	\$188,668,000
Total (FY 2008/09 dollars)	\$459,010,000
Total (2010 dollars)^b	\$462,306,302

Source: General Fund Draft Capital Plan for Streets and Rights-of-Way 2009-2018.

a. Includes unfunded costs for programs for 2008/09 through FY 2017/18, from the deferred line item in the plan.

b. Costs have been escalated to 2010 dollars using the average annual Consumer Price Index for the Bay Area (ABAG).

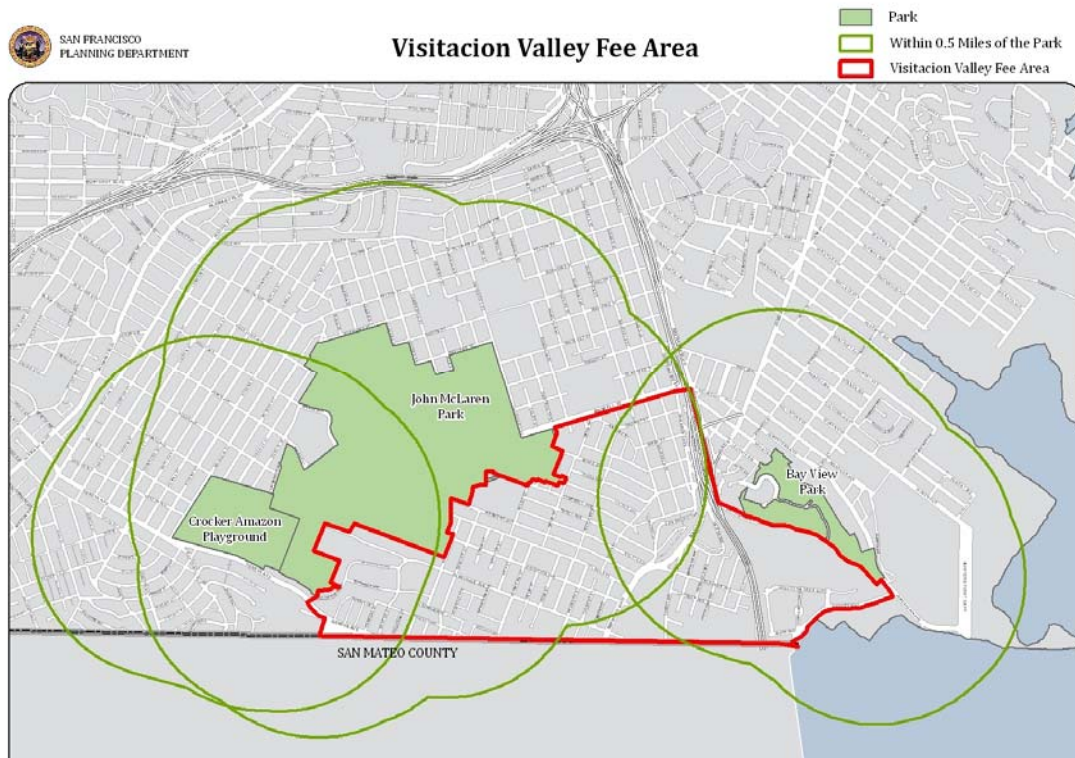
Appendix C. Citywide Study—Recreation and Parks

Capital improvement costs for parks within the Fee Area are included in the total capital improvement cost calculation at 100%. These parks are expected to be used primarily by residents and workers from within the Fee Area. For parks bordering the Fee Area, it is assumed use of these parks will occur by both users inside as well as outside the Fee Area. Therefore the full capital costs for these border parks cannot be completely attributed to the Fee Area.

To determine the portion of capital costs attributable to users inside the Fee Area, half mile buffers were created around the following three parks – Crocker Amazon Playground, Bayview Park, McClaren Park (Map G-1). The City and County of San Francisco General Plan’s Recreation and Open Space Element, states, “Neighborhood areas within one half mile of a city-serving open space are considered to be within its neighborhood service area. This is about a ten minute walking distance.”⁵ A half mile was chosen as the distance park users should have reasonable access to parks per the General Plan. The population within these buffers was then counted using the most recent block level census data available (Census 2000).

The population within the half-mile buffers was calculated as a proxy for the user population of these parks. The population that fell within the Fee Area was then divided by the total population within each buffer to arrive at a percentage of Fee Area park users per park. This percentage was then applied to the park improvement cost to determine the portion of costs that could be reasonably attributed to the Fee Area. The results are shown in Table VIII:5 and VIII-6.

Map VIII-1: Fee Area Border Parks with Half-Mile Buffers



⁵ City and County of San Francisco, General Plan, Recreation and Open Space Element (1986)
http://www.sf-planning.org/ftp/General_Plan/I3_Rec_and_Open_Space.htm

Table VIII-5: Population within Half-Mile of Parks

	Population within ½ mile	Population within ½ mile and in Fee Area
Crocker Amazon	28,772	3,740 (13.00%)
McLaren Park	56,554	19,326 (34.17%)
Bayview Park	14,043	8,130 (57.89%)

Source: Planning Department, Census 2000

Table VIII-6: Park Capital Improvement Costs Attributable to Fee Area

	Capital Improvement Costs	% of costs attributable to Fee Area population	Relevant Fee Area Costs
Parks bordering Fee Area			
Bayview Park	\$4,495,806	57.89%	\$2,602,622
Crocker Amazon Playground	\$23,118,231	13%	\$3,005,370
McLaren Park	\$23,346,481	34.17%	\$7,977,493
Park Capital Improvement Costs	\$58,616,502		\$21,241,469