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Executive Summary
Planning Code Text Change
HEARING DATE: OCTOBER 2, 2014

Project Name:	**Revisions to Development Impact Fees, incorporating new Citywide Nexus Analysis**
Case Number:	2014.0966T
Initiated by:	San Francisco Planning Department
Staff Contact:	Kearstin Dischinger Kearstin.Dischinger@sfgov.org , 415-558-6284
Reviewed by:	**Joshua Switzky, Senior Planner**
Recommendation:	**Initiate Amendments to the Planning Code**

PLANNING CODE AMENDMENTS

The proposed ordinance includes proposed changes to various sections of Article IV of the Planning Code, which hosts all development impact fees, including downtown fees, area plan fees, and citywide fees. The Ordinance proposes to amend the Planning Code to adopt the San Francisco Citywide Nexus Analysis (Nexus Analysis) supporting existing development fees, including fees in the Downtown and other Area Plans, to cover impacts of residential and commercial development in four infrastructure areas: recreation and open space; pedestrian and streetscape improvements; childcare; and bicycle infrastructure. The Ordinance also proposes to make findings, including findings required by State law, related to all of the fees in Article IV generally and certain development fees supported by the Nexus Analysis specifically.

Currently, Article IV fees, especially in the Area Plans are supported by Area-specific analyses. The development of the Citywide Nexus analysis responds to two separate goals to: (1) provide a common analysis to support fees in any geographic area of the City where the City imposes them; and (2) update the support for various fees under certain program administration requirements detailed in Section 410 of the Planning Code. In addition, this legislation proposes minor amendments to the administration of various impact fee programs to facilitate their administration. This Ordinance **does not** propose changes to the rate of fees; expand the geographic scope of any fees; change the limitations on the geographic locations in which specific fees are expended; or modify the overall goals of the various impact fee programs. Following is a more detailed overview.

No change proposed:

Development Impact Fee Rates – No change

This Ordinance does not propose to increase the rate of existing development impact fees or create new development impact fees. Findings based on the new Citywide Nexus Study justify the imposition of various existing development impact fees at the existing established rates. The City will continue to index development impact fees annually to reflect cost inflation, according to the process described in Article IV of the Planning Code.

Geographies Related to Area Plan Impact Fee Programs – No change

Although the nexus study was completed on a Citywide basis, this legislation does NOT change either (1) the geographic scope of any fees e.g. no fees will be charged in geogoraphic areas not currently subject to a fee; or (2) the existing limitations that fees collected from projects in certain Area Plans be spent within the geography of that Area Plan. For example development impact fees collected through the Eastern Neighborhoods Infrastructure Program must be expended within those specific plan areas within their current boundaries.

Proposed amendments:

Citywide Nexus Study – update findings for established impact fees

The California Mitigation Fee Act, California Government Code Section 66000 et seq. (the Fee Act) establishes requirements and principles for local jurisdictions to impose certain fees as a condition of development approval. One of the requirements is that the local jurisdiction establish a reasonable relationship or "nexus" between the impacts of new development and the proposed fee. While not all of the fees covered by Article IV are necessarily subject to the Fee Act, the City has concluded that, in most instances, establishing a nexus for any fee imposed by the City as a condition of development is prudent practice. Development impact fees are common among California cities and are one widely accepted way to fund a variety of infrastructure improvements. In addition, the City uses a variety of other funding sources to meet its infrastructure needs.

The majority of the "area plan impact fees", including Rincon Hill (2005), Market and Octavia, Eastern Neighborhoods, Visitation Valley and Balboa Park were first established in 2008. For each area plan, the City conducted separate analyses and made separate findings to support the fees. Per Article IV of the Planning Code, the City updated the nexus analysis that supports the various fees.[1] In an effort to reduce the administrative burden for the various impact fee programs and to establish a consistent methodology, the City elected to complete a citywide nexus analysis that collated and built on various existing nexus studies. The Nexus Analysis

[1] The City retained AECOM to conduct a San Francisco Infrastructure Level of Service Analysis, attached as Exhibit E; and, based on the results of that Analysis, to conduct a standards-based Nexus Analysis consistent with State law.

developed a consistent standards-based methodology for most existing impact fees. This Citywide analysis will facilitate the City's future administration of impact fees, including completing the five year reporting and updates required by Planning Code Section 410.

The Citywide nexus analysis is intended to meet the requirements of the Mitigation Fee Act. It focuses on new growth's connection to open space, recreational facilities, complete streets including pedestrian and bicycle improvements, and childcare facilities. This analysis measures the need for community infrastructure generated by new growth per new resident or worker. The Citywide nexus analysis was completed at this time because the City Planning Code requires that all nexus studies be updated on a five year basis (Section 410) and because there is a State requirement to verify the nexus established for development impact fees. This study includes a Nexus Analysis to verify most impact fees in Article VI of the Planning Code except those pertaining to affordable housing, community stabilization and the Citywide Transportation Development Impact Fee. A transportation nexus analysis is currently underway.

The citywide nexus standard is generally based on the average demand for services based on the City's ability to commit to funding for the planning period; this standard may be higher than the existing level of service but may not fully account for the community infrastructure projects identified in advanced planning work. The results of the nexus analysis provides a ceiling or maximum fee supported by the analysis for each infrastructure type. Specific development impact fees recover no more than 95% of the total nexus amount, and in some cases recover less based on program specific policy priorities established through the community based planning processes.

The analysis confirms that, consistent with the findings in the ordinances, the existing and proposed impact fees are supported by a Mitigation Fee Act-type nexus analysis. **Accordingly the Ordinance proposes that the Board adopt the Citywide Nexus Analysis and make corresponding Findings for the various development impact fees.**

Remove Library from all Impact Fee Programs

The Ordinance also proposes to remove library materials and facilities from Area Plan impact fees. Currently each fee program is required to direct a small percentage (averaging approximately 1 or 2%) to the SF Public Library. However, at the end of this Fiscal Year the Branch Library Improvement Program (BLIP), will be fully funded. During the course of the Branch Library Improvement Program 16 existing libraries were renovated and 8 new libraries were constructed. The Library has a robust source of revenue for material acquisition. The Area Plan Impact Fees generate a very small amount of revenue for libraries, given the low level of program dollars currently allocated to library facilities. This results in a high rate of administrative costs for library development impact fees. Further, community members have consistently expressed an interest in prioritizing completion of important transportation and open space projects in concert with new development. The Planning Department in coordination with Library staff, the EN and MO CACs, and the IPIC have concluded that area plan development impact fees should be prioritized for transit, complete streets, open space and

recreation facilities, and childcare. **Accordingly the Ordinance includes amendments to remove Library expenditures from all area plan impact fees.**

All revenues that are currently directed towards the library facilities are proposed to be re-directed to Complete Streets expenditures in each plan area.

Create consistent expenditure categories across the various plan areas

Area Plan development impact fees are collected in one fund and expended across multiple expenditure categories based on the percentages identified in the Planning Code. The Planning Department's implementation team, in coordination with the IPIC, insures that each program achieves the legislated expenditure targets on a five year basis. So in a given year, while the City may allocate a disproportionate amount of the development impact fees in a Plan Area Fund to one expenditure category, over a five year period, the City will have allocated no more than the targeted percentage of impact fee revenue on a given expenditure category.

The Planning Department thinks that it will benefit the process **to use consistent language across the various area plan development impact fee programs**. Currently the Market and Octavia Plan Area details expenditures into 10 categories, while other plan areas describe the same range of potential types of expenditures using only 3 or 4 catefotires. The table below illustrates the relationship of expenditure categories across three plan areas. After several years of administering the Development Impact Fee program in coordination with the various CACs and the Interagency Plan Implementation Committee (IPIC), the Planning Department has determined that administration of the programs would benefit from a consistent description of the expenditure categories. This ordinance proposes a uniform set of 5 expenditure categories for all plan areas (see below). This re-organization of expenditure categories does not change which infrastructure projects are eligible for impact fee funding, however it offers the same language across the various programs. The Citywide Nexus Study is generally organized according to the proposed expenditure categories.

This system will help to insure that everyone involved in fee expenditures – including community members, planners, project managers, accountants, budget directors, plan managers, and advocates, in whichever agency or community group -- *will better understand what projects are eligible for impact fee funding for each expenditure category*. This increased clarity will facilitate the implementation of the infrastructure projects.

Current Market and Octavia	Current Eastern Neighborhoods	Current Balboa Park	Proposed Categories for ALL Plan Areas
Parks	Open space and recreational facilities	Parks, Plazas, Open Space	Recreation and Open Space
Park Improvements			
Transportation	Transit, streetscape and public realm improvements	Transit	Transit
Vehicle		Streets	Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Infrastructure
Pedestrian			
Greening			
Bicycle			
Childcare	Community facilities (child care and library materials)	Community facilities and services/Other	Childcare
Library Materials			~~Library~~
Program Administration	*(derived as a percentage of total revenue)*	*(derived as a percentage of total revenue)*	Program Administration

The Nexus Study includes a description of projects eligible for each expenditure category. Note that the ordinance proposes some amendments to the description of "Program Administration" so that it applies consistently across all area plan impact fees. For all Area Plan development impact fees, no more than 5% of development impact fee revenue can be dedicated to Program Administration.

Note that with the exception of dedicating previous allocations towards Complete Streets, the percentage of revenue allocated to each category is not proposed to change for any of the Area Plan impact fees. For example the total percent of funds allocated to Complete Streets expenditures is currently 42.2% and will increase by roughly 2% to 44% of total residential development impact fee expenditures.

Currently some area plan development impact fees, do not include clearly delineated expenditure categories, including Rincon Hill, Visitation Valley, and the Market and Octavia Downtown Residential Special Use District FAR bonus program. In order to improve administration of the program, this ordinance proposes adding explicit funding percentages for each area plan impact fee.

Process for Area Plan Development Impact Fee Fund Allocations and Expenditures

Since 2008, the Area Plan development impact fees have been administered consistently, in coordination with the CACs, Interagency Plan Implementation Committee (IPIC), Planning Commission (CPC), Board of Supervisors (BOS), and Mayor. First, the CACs and IPIC develop

recommendations each year through the Fall, which are then presented to the CPC and BOS land use committee in early winter. At the start of the new year, various implementing agencies load the projects into their annual budget requests, consistent with the IPIC report. As with all capital expenditures, the Board's and Mayor's approval of the annual budget, constitutes final approval of allocation of the area plan development impact fees.

This ordinance proposes some amendments to some area plan development impact fee sections in the Planning Code, to more accurately describe the fund allocation process.

Monitoring Program

In order to create clarity and facilitate administration of the monitoring program, the description of monitoring requirements was removed from individual fee programs and moved to Section 409 of the Planning Code, which already addressed monitoring issues. Section 409 applies to all development impact fees included in Article VI of the Planning Code.

REQUIRED COMMISSION ACTION

Approve resolution initiating amendments to the Planning Code. By formally initiating the process of making amendments to the Planning Code the Commission directs staff to begin a required 20-day notice period and to calendar an approval hearing after the required 20-day period has run. Notice of the approval hearing will be published in the newspaper as required by section 306.3 of the Planning Code. Please note that by initiating these amendments today, the Commission does not make any decision regarding the substance of the proposals. It retains full rights to accept, reject or modify any and all parts of the proposed ordinance at such future hearing.

Calendar the proposed hearing for approval and adoption. Staff proposes that the date for final approval and adoption of amendments and related actions be set as a regular calendar item on or after October 22, 2014.

RECOMMENDATION AND BASIS FOR RECOMMENDATION

Staff recommends adoption of the draft Resolutions of Intent to initiate proposed amendments to the Planning Code.

ENVIRONMENTAL REVIEW

The proposed Ordinance has been determined to be not defined as a project under CEQA Guidelines Sections 15738 and 15060©(2) because it does not result in a physical change in the environment.

PUBLIC COMMENT

The Planning Department has not received public comment on this legislation. Staff made presentations to both the Market and Octavia and Eastern Neighborhoods CAC in the spring of 2014.

RECOMMENDATION:	**Recommendation of Initiate Hearing for Adoption**

Attachments:

Exhibit A:	Planning Code Section 410
Exhibit B:	Draft Planning Commission Resolution
Exhibit C:	Proposed Ordinance
Exhibit D:	San Francisco Citywide Nexus Analysis
Exhibit E:	San Francisco Infrastructure Level of Service Analysis
Exhibit F:	Administrative Costs Memo

Exhibit A:

SEC. 410. COMPREHENSIVE FIVE-YEAR EVALUATION OF ALL DEVELOPMENT FEES AND DEVELOPMENT IMPACT REQUIREMENTS.

Commencing on July 1, 2011, and every five fiscal years thereafter in conjunction with the Annual Citywide Development Fee and Development Impact Requirements Report described in Section 409, above, the Director and the Controller shall jointly prepare and publish a comprehensive report on the status of compliance with this Article, compliance of any development fees in this Article with the California Mitigation Fee Act, Government Code section 66001 *et seq.*, including making specific findings regarding any unexpended funds, the efficacy of existing development fees and development impact requirements in mitigating the impacts of development projects, and the economic impacts of existing development fees and development impact requirements on the financial feasibility of projects and housing affordability in particular. In such report, the Director and Controller may recommend any changes in the formulae or requirements or enforcement of any area-specific or Citywide development fee or development impact requirement in this Code, prepare additional economic impact studies on such changes or recommend that additional nexus studies or financial feasibility analyses be done, to improve the efficacy of such fees or requirements in mitigating development impacts or to reduce any unintended deleterious economic or social effects associated with such fees or requirements. In making their joint report and recommendations, the Director and the Controller shall consult with the Directors of OEWD, MOH, the MTA, or other agency whose fees are affected and shall coordinate the report required by this Section with any other development fee evaluations and reports that this Article requires to be performed. The Director and the Controller shall present the Report to the Commission at a public hearing and to the Land Use & Economic Development Committee of the Board of Supervisors at a separate public hearing.

(Added by Ord. 108-10, File No. 091275, App. 5/25/2010)

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Planning Commission Resolution
Planning Code Text Change
OCTOBER 2, 2014

Project Name:	Initiating Ordinance Adopting Nexus Analysis for Certain Development Fees
Case Number:	2014.0966T
Staff Contact:	Kearstin Dischinger Kearstin.Dischinger@sfgov.org , 415-558-6284
Reviewed by:	Joshua Switzky, Senior Planner Joshua.Switzky@sfgov.org; 415-575-6815
Recommendation:	**Recommend Initiation**

ADOPTING A RESOLUTION OF INTENTION TO INITIATE AMENDMENTS TO PLANNING CODE TO ADOPT THE SAN FRANCISCO CITYWIDE NEXUS ANALYSIS SUPPORTING EXISTING DEVELOPMENT FEES, INCLUDING FEES IN THE DOWNTOWN AND OTHER AREA PLANS, TO COVER IMPACTS OF RESIDENTIAL AND COMMERCIAL DEVELOPMENT IN THE AREAS OF RECREATION AND OPEN SPACE; PEDESTRIAN AND STREETSCAPE IMPROVEMENTS; CHILDCARE FACILITIES; AND BICYCLE INFRASTRUCTURE; MAKING FINDINGS RELATED TO ALL OF THE FEES IN ARTICLE IV GENERALLY AND CERTAIN DEVELOPMENT FEES SUPPORTED BY THE NEXUS ANALYSIS SPECIFICALLY.

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WHEREAS, the City of San Francisco's Planning Code includes several development impact fees, that support Pedestrian and Streetscape improvements, Childcare facilities, Recreation and Open Space facilities, Bicycle Improvements, and program administration;

WHEREAS, Planning Code section 410 calls for the City to conduct a comprehensive five-year evaluation of all development fees and development impact requirements; and,

WHEREAS, The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to on October 2, 2014; and,

WHEREAS, the proposed Ordinance has been determined to be not defined as a project under CEQA Guidelines Sections 15738 and 15060©(2) because it does not result in a physical change in the environment; and

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

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

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

MOVED, that pursuant to Planning Code Section 302(b), the Planning Commission Adopts a Resolution to Initiate amendments to the Planning Code.

NOW THEREFORE BE IT RESOLVED that pursuant to Planning Code Section 306.3, the Planning Commission authorizes the Department to provide appropriate notice for a public hearing to consider the above referenced Planning Code amendments contained in the draft Ordinances, approved as to form by the City Attorney in **Exhibit C**, to be considered at a publicly noticed hearing on or after October 22, 2014.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on October 2, 2014.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:
ABSENT:

ADOPTED: October ____, 2014

San Francisco Citywide Nexus Analysis

March 2014

SAN FRANCISCO PLANNING DEPARTMENT

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LIST OF ACRONYMS

AB	Assembly Bill
ACS	American Community Survey
AICCIE	Annual Infrastructure Construction Cost Inflation Estimate
BSP	San Francisco Better Streets Plan (2010)
CIP	Capital Improvement Program
CPAC	San Francisco Child Care Planning and Advisory Council
CPC	Capital Planning Committee
DOF	Department of Finance
DPW	Department of Public Works
FCCH	Family license care home
GSF	Gross square feet
LIIF	Low Income Investment Fund
LOS	Level(s) of service
LTS	Level of Traffic Stress
MTC	Metropolitan Transportation Commission
OECE	Office of Early Care and Education
PEQI	Pedestrian Environmental Quality Index
ROSE	Recreation and Open Space Element
RPD	San Francisco Recreation and Parks Department
SFMTA	San Francisco Municipal Transportation Agency
TIDF	Transit Impact Development Fee

1. Introduction

In 2013, AECOM was retained by the San Francisco Planning Department and the San Francisco Capital Improvements Program, with direction from the City Attorney's Office, to update the City's nexus analysis. This nexus analysis update was done in conjunction with AECOM's 2014 *San Francisco Infrastructure Level of Service Analysis* report[1], a study that established citywide provision standards for various infrastructure elements. The level of service (LOS) targets for infrastructure presented in this report build directly on the standards developed as part of the *San Francisco Infrastructure Level of Service Analysis* report, as well as existing nexus studies for certain infrastructure types for the City of San Francisco and the City's capital plan.

REPORT PURPOSE

The purpose of this report is to present the nexus analysis findings of new growth's connection (nexus) to facilities for recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure. This analysis measures the need for community infrastructure generated by new population and employment growth, using a methodology that meets the requirements for development impact fees under applicable law. The fee program estimates development's fair share of the City's new facility needs to maintain levels of service for community infrastructure that contribute to the livability and overall quality of life in San Francisco.

The citywide nexus analysis, building upon existing adopted nexus studies, aims to develop a consistent, standards-based methodology for most existing impact fees, thus facilitating the City's future administration of impact fees, including meeting the five year reporting and updating requirements.

The Planning Code currently covers more than 20 development impact fees – including several single-purpose fees and several community impact fees that were established as components of larger planning processes for the City's geographic Area Plans.[2] As a result of many separately developed impact fees, the City has revised the Planning Code to ensure that each program is administered consistently. The impact fees and the administrative procedures governing them are found in Article IV of the Planning Code. This study aims to further standardize the analysis supporting development impact fees (specifically for recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) to ensure consistent administration of existing and future development impact fees and their supporting studies.

In addition to developing a more standardized development impact fee assessment methodology, this study also satisfies the requirements of Section 410 of the City Planning Code which requires that all nexus studies be

[1] Although the report was finalized in 2014, the bulk of the analysis and report was produced in 2013.
[2] Area Plans, or Specific Area Plans, are detailed plans for city neighborhoods. Area Plans are identified in the City's General Plan, and include area-specific land use policies and regulations that guide development.

updated on a five year basis: the nexus analysis presented in this report aims to verify most impact fees in Article 4 of the Planning Code except those pertaining to affordable housing, community stabilization, libraries, and the Citywide Transportation Development Impact Fee. The nexus analysis complied with the requirements of the Mitigation Fee Act, and state and national constitutional law.

REPORT STRUCTURE

The remainder of the introduction will provide background on nexus fees, catalogue San Francisco's existing impact fees, outline the nexus fee determination methodology, and summarize the maximum supportable nexus fees. The following chapters of the report address each of the four infrastructure elements – recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure.[3]

BACKGROUND ON DEVELOPMENT IMPACT FEE PROGRAMS

Cities are authorized by law to levy development impact fees – which are monetary exactions, charged by a local government to a development applicant as a condition of approval for the development project. In most cases, the law requires the fee amount be reasonably related to the cost of the infrastructure provided by the government collecting the fee. The collected fee monies are allocated to pay for, or defray the costs of, the infrastructure improvements necessitated by the new development. Development impact fees may not be levied to pay for existing infrastructure deficiencies unrelated to the impacts of new development. Also a jurisdiction must normally legislatively adopt findings of a reasonable relationship between fee and impact to enact a fee program.

Although local governments began levying impact fees in the 1920s as a way to finance infrastructure, in 1987, the California legislature passed the Mitigation Fee Act (Assembly Bill 1600 or the Act) to establish principles governing impact fee exactions and, to some extent, codify existing constitutional requirements. The related Government Code Sections 66000-66025 establish legal requirements to implement a development fee program for fees that meet the terms of the Act. While not all of the fees analyzed in this report are necessarily subject to the Mitigation Fee Act, the City has concluded that, in most instances, establishing a nexus for any fee imposed by the City as a condition of development is prudent practice. According to the Act, to establish a development fee program, a jurisdiction must legislatively accept a nexus study that identifies:

- the **purpose** of any fees;
- how fees will be **used**;
- a **reasonable relationship** between the fee-funded infrastructure and the type of development paying the fee;
- a reasonable relationship between the **need** for particular infrastructure and the type of development paying the fee; and
- a reasonable relationship between the amount of the fee and the **proportionality** of the cost specifically attributed to development.

Development impact fees are common among California cities (including San Francisco) and are a well-accepted way to fund a variety of infrastructure such as recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure.

[3] Note that a transit infrastructure fee study is currently being undertaken in an ongoing update of the 2012 *San Francisco Transportation Sustainability Fee Nexus Study*, and, is therefore omitted from this analysis.

EXISTING DEVELOPMENT IMPACT FEES

San Francisco currently has more than 20 development impact fees, many of which the City established as a component of a larger planning process (either at the city or neighborhood level), and supported by a specific nexus study. Some existing impact fees are single-issue fees imposed citywide or in a limited area; others are components of community infrastructure fees. Table 1 catalogues the existing impact fees in San Francisco for the four infrastructure components studied in this report (recreation and open space; childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure). In Table 1, single-issue fees for any of the four infrastructure items are reported, and community infrastructure fees are apportioned by infrastructure item.[4] Table 1 also highlights the maximum fee charged in each infrastructure category.

Table 1. Existing Related Impact Fees in San Francisco for Four Infrastructure Categories (2013 Fee Rates)

Fee Area	Recreation and Open Space	Childcare	Streetscape and Pedestrian Infrastructure	Bicycle Infrastructure	Other [1]	Total Community Impact Fee, where relevant, 2013[2] (GSF)
Residential Fees ($/GSF)						
Rincon Hill	$2.85	$0.00	$6.66	-	-	**$9.51**
Market and Octavia	$2.12	$0.83	$4.12	$0.05	$2.83	**$9.95**
Eastern Neighborhoods	$8.85	$1.24	$0.35	-	$7.26	**$17.70**
Balboa Park	$2.66	$1.68	$3.36	-	$1.15	**$8.85**
Maximum Residential Fee by Category ($/GSF)	**$8.85**	**$1.68**	**$6.66**	**$0.05**	**$7.26**	-
Commercial Fees ($/GSF)						
Downtown Park Fee	$2.21	-	-	-	-	-
Child Care: Citywide - Commercial	-	$1.11	-	-	-	-
Transit Impact Development Fee (TIDF)					$13.30	-
Market and Octavia	$0.52	-	$2.14	$0.02	$1.11	**$3.76**
Eastern Neighborhoods	$1.08	$0.46	$0.51	-	$13.42	**$15.48**
Balboa Park	$0.50	$0.32	$0.63	-	$0.22	**$1.66**
Visitacion Valley	$1.67	$1.12	$1.42		$0.86	**$5.07**
Maximum Commercial Fee by Category	**$2.21**	**$1.12**	**$2.14**	**$0.02**	**$13.42**	-

Source: San Francisco Citywide Development Impact Fee Register, January 1, 2013, and the San Francisco Planning Department.

1. Table 1 focuses on the four infrastructure categories analyzed in this nexus report. It does not include all fees included in Article 4 of the Planning Code (for example, it omits transit fees and affordable housing fees), or expenditures that are analyzed elsewhere (for example, it omits library fees, program administration, and transit fees).

2. The City annually adjusts all developer impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE), as per Article 4 of the Planning Code.

The residential fees range across the neighborhoods from no fee (i.e., neighborhoods without community infrastructure fees) to almost $18 per GSF; the commercial fees range across the neighborhoods from no fee (i.e.,

[4] Apportionment of community infrastructure fees is based on the Planning Code (Section 4), as provided by Kearstin Dischinger, Senior Community Development Specialist of the Planning Department, in a spreadsheet entitled max_fee_by Category_Planned.xls. This spreadsheet is appended for informational purposes.

neighborhoods without community infrastructure fees) to more than $15 per GSF. Two additional downtown fees exist for childcare and parks, of $1.11 and $2.21 per GSF. A transit impact fee of as much as $13.30 per GSF is also charged citywide.[5]

STANDARDS-BASED NEXUS METHODOLOGY

Impact fees can be calculated several ways, but the foundation of all methodologies is determining an appropriate level of infrastructure for future development, the cost to provide this infrastructure, and a reasonable relationship between growth and cost, by which to apportion the cost burden.

With one exception, this study focuses on a standards-based approach, which relies on an explicit infrastructure LOS to derive a maximum supportable fee level. A per-unit provision standard is established by the City – for example, a certain number of acres of open space per person (or service population unit[6]) – and subsequent development must adhere to the standard. The nexus fee for development is based on development's share of the cost to provide this level of provision.[7] Applying standards-based metrics to impact fees allows the City to streamline the fee analysis process, creating a consistent methodology across all infrastructure types that can be easily understood, repeated and updated as necessary. This streamlined approach reduces costs, and strengthens the link between new development and demand for new infrastructure. Recreation and open space, childcare, and streetscape and pedestrian infrastructure nexus fees are established using this standards-based approach.

The *San Francisco Infrastructure Level of Service Analysis* report sets the foundation for the nexus, by exploring various metrics and LOS standards for select infrastructure items, and by providing a comprehensive study of San Francisco's infrastructure elements, current LOS provision, long-term aspirations, and short-term infrastructure LOS targets. The short-term targets are the standards used for the nexus analysis. These standards were developed through a review of existing City policies, interviews with City departments, and research on existing precedents. Note that setting citywide standards for infrastructure LOS is a complex undertaking that few cities have undertaken rigorously, making San Francisco an exemplar in its nexus approach.[8]

A more traditional project-based approach, in contrast, takes a list of planned infrastructure projects, and bases the nexus fee on the apportionment of their cost. This project-based approach is used for bicycle infrastructure. For bicycle infrastructure, the SFMTA has developed a comprehensive policy document that outlines specific capital projects for bicycle infrastructure. At the direction of the agency and with the support of stakeholders, the nexus for bicycle infrastructure relies on this policy document (SFMTA's 2013 *Bicycle Strategy*).[9] (Note that, although the bicycle nexus relies on a discrete list of projects rather than a per-population or per-service-population LOS, the cost is apportioned between residential and commercial development via service population. That is, the bicycle infrastructure requirements are determined by a project list (13 miles of upgraded bikeway, 13 upgraded

[5] The Transit Impact Development Fee (TIDF) ranges from $6.80 per GSF to $13.30 per GSF, depending on the land use (Economic Activity Category or Subcategory), as per San Francisco Planning Code Section 4.11.3 (e).
[6] Service population is discussed in more detail in the section, Additional Assumptions: Service Population.
[7] As long as the standard is not above the existing LOS conditions (i.e. as long as the existing LOS is not deficient per the standard), new development may bear the full burden of providing the LOS associated with its development. When a standard *is* above the existing LOS conditions, the City may require the development to bear the portion of the cost related to its fair share of the cost. In this case, best practice dictates that the City should demonstrate how it will fund the remaining cost to elevate the existing infrastructure to the LOS standard. The City cannot charge new development to increase an LOS for existing residents.
[8] San Diego applies a standards approach for park infrastructure and many California cities that are not built-out use level of service standards to inform master planned areas on the periphery of their respective cities.
[9] While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the Capital Improvement Program (CIP) project list to be put forward for board approval in April 2014 based on this document. Although no plans exist to take the 2013 *Bicycle Strategy* to the board for adoption, the project list derived from it will be taken to the board for CIP approval in April 2014.

intersections, etc.) as opposed to a per-service-population LOS; but, the cost of the bicycle infrastructure projects in the project list is allocated to development based on the increase in service population attributable to new development.)

INFRASTRUCTURE CATEGORIES

A nexus between development and maximum supportable impact fees has been determined for the following infrastructure types:


Recreation and open space


Streetscape and pedestrian infrastructure


Childcare


Bicycle infrastructure

All of these four infrastructure elements (recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) represent areas where existing impact fees are charged – that is, areas identified by the City where development will require new capital investment.

CITYWIDE APPROACH TO IMPACT FEES

Although many existing impact fees result from the City's planning processes in various Area Plans, and thus are neighborhood-specific, the City seeks a nexus analysis that applies consistent nexus methodologies across varying fee programs and geographies. This nexus study is therefore conducted at a citywide level. While the City acknowledges that the actual implementation of fee programs may still vary based on specific considerations of individual Area Plans, a citywide nexus model provides a consistent nexus architecture that affords the City an over-arching structure and a program that can easily be administered and updated (with revised cost and demographic inputs) on a five-year basis.

INFRASTRUCTURE LOS

The LOS standards for each infrastructure element are shown in Table 2. Recreation and open space and streetscape and pedestrian infrastructure improvements are based on demographic projections through 2030, as a reasonable development timeframe, while childcare and bicycle improvements are based on shorter-term projections, due to the changing distribution of children in the city, and the proposed bicycle improvement strategy upon which the bike measures are built. In terms of childcare, because the number of children in San Francisco is projected to decrease after 2020, the childcare LOS provision is based on 2020 demographics to avoid under-providing childcare at the child population's projected peak.[10] For bicycle infrastructure, SFMTA's *Bicycle Strategy*

[10] Unlike the general population, the child population in San Francisco is projected to begin a slow decline within the next five to seven years. As a result, if longer-term projections were used, childcare facilities in the short-term would be under-provided. In addition, the City has many policies to encourage families to stay and live in San Francisco, such that the population of children may not necessarily decline as projected. A shorter timeframe to 2020 affords the opportunity to revisit the projections in several years without under-providing in the short-term. Avoiding short-term under-provision is especially prudent if the projected trend of a declining child population does not materialize.

that outlines their proposed projects is based on a five-year timescale, and has been extrapolated to the nearest decade end.

Table 2 includes the infrastructure LOS for the infrastructure categories using a standards-based approach (recreation and open space, childcare, and streetscape and pedestrian infrastructure), and the capital improvements list for the infrastructure category using a projects-based approach (bicycle infrastructure).

Table 2. LOS Metrics for Infrastructure Categories

Infrastructure Element	LOS Standard / Capital Improvement	Measure	Target Year for Nexus Evaluation
 **Recreation and Open Space**	LOS	• 4.0 acres of open space / 1,000 service population units • 3.5 acres of open space / 1,000 service population units • 0.5 acres of improved open space / 1,000 service population units	2030
 **Childcare**	LOS	• Childcare provided for 37% of demand for infant/toddler (age 0-2) care • Childcare provided for 99.6% of demand for preschooler (age 3-5) care	2020
 **Streetscape and Pedestrian Infrastructure**	LOS	• 88 square feet of improved sidewalk / service population unit	2030
 **Bicycle Infrastructure**	Capital Improvements List	Complete build-out as per "Bicycle Plan Plus Scenario" of SFMTA's *Bicycle Strategy* (extrapolated through 2020) • Upgrade 13 miles of bikeway to premium facilities • Install bicycle signals at 13 intersections • Add 5,333 bike parking spaces • Pilot bike share program of 67 stations and 667 bicycles	2020

Source: AECOM *San Francisco Infrastructure Level of Service Analysis* report (March 2014)

GROWTH PROJECTIONS

The nexus analysis is predicated on a demographic forecast that helps determine the need for future infrastructure. The following population and employment projections from 2013 through 2030 (Table 3) were developed by the City and AECOM, based on U.S. Census, American Community Survey (ACS) data and information from the California Department of Finance (DOF). The projections below are consistently applied throughout all of the nexus analyses. Based on the low residential and commercial vacancy rates in San Francisco, it is reasonable to assume that population and employment growth will result in new physical development. [11]

[11] San Francisco's apartment vacancy rate is 3.1 percent according to a Reis Report by Justin Peterson entitled "San Francisco Apartment Sector Amongst the Strongest" (October 2012). San Francisco's office vacancy rate (approximately 11 percent) is the lowest in the US office market, according to rankings done by Jones Lang Lasalle in their report "Office Outlook: United States. Q2 2013". San Francisco's retail vacancy rate is reported as 2.7 percent (second quarter of 2013) by CoStar in their article "Market Trend: San Francisco's Retail Vacancy Decreases to 2.7%" (July 2013). Note that all markets, including the housing market and the office space market, have a natural rate of vacancy that allows movement within the system. Full (100 percent) absorption would result in an inflationary market. The vacancy rates in San Francisco's apartment, office, and retail markets are below common metrics of natural vacancy, making it a reasonable premise that there is a one-to-one relationship between population and employment growth and new physical development (Krainer, John. Natural Vacancy Rates in Commercial Real Estate Markets. Federal Reserve Bank of San Francisco. October 5, 2001; Belsky, Eric. Rental Vacancy Rates: A Policy Primer. National Association of Home Builders. Housing Policy Debate, Volume 3, Issue 3. 793-813. 1992.).

Table 3. Population and Employment Projections for San Francisco (2010 - 2030)

Year	2013	2020	2030
Population			
Total Population	820,585	872,451	947,625
Employment			
Jobs	600,740	677,531	706,848

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections received by AECOM on May 14, 2013 from Aksel Olson, Planner/Geographer in Citywide Information and Analysis Group, San Francisco Planning Department. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.
Note: All values rounded to the nearest integer.

ADDITIONAL ASSUMPTIONS

In addition to the population and employment projections presented above, there are a number of other assumptions that are applied in the nexus analyses for each infrastructure area. For example, this nexus analysis ascribed demand for infrastructure on a gross square footage basis that is consistent with current density assumptions (residents or employees per GSF). These assumptions are summarized in Table 4.

Table 4. General Nexus Assumptions

*	Metric	Value	Source
*	**Residential Assumptions**		
A	Residents per service population unit	1	*Service Population Concept Memorandum* (September 24, 2013)
B	Residents per housing unit	2.32	American Community Survey 3-Year, 2000-2011, DP02: Selected Social Characteristics for San Francisco County
C	GSF per average residential housing unit	1,156	Weighted average from Eastern Neighborhoods Impact Fee and Affordable Housing Analysis (2008)[1]
D	GSF per residential service population	498	C / B
	Commercial Assumptions		
E	Employees per service population unit (streetscape and pedestrian infrastructure; bicycle infrastructure)	0.5	*Service Population Concept Memorandum* (September 24, 2013)
F	Employees per service population unit (recreation and open space)	0.19	*Service Population Concept Memorandum* (September 24, 2013)
G	GSF commercial space per employee	327	San Francisco Planning Department assumptions received via email from Aksel Olsen, Planner/Geographer, on July 15, 2013
H	GSF per commercial service population (streetscape and pedestrian infrastructure; bicycle infrastructure)	654	G / E
I	GSF per commercial service population (recreation and open space)	1,721	G / F

Source: AECOM, 2013; other sources as noted.

1. The GSF per average residential housing unit is calculated by dividing the average unit size of 925 net square feet by a building efficiency rate of 80 percent. A building's efficiency rate reflects the ratio of leasable or rentable area to gross floor area. The average unit size (925 square feet) and building efficiency rate (80 percent) assumptions are taken from the *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis*, which Kearstin Dischinger, Senior Community Development Specialist with the San Francisco Planning Department has concluded still reflect current conditions. Kearstin Dischinger, in a meeting on July 16, 2013, directed the consultant to use this square footage and efficiency rate.

2. Unlike the streetscape and pedestrian infrastructure and bicycle infrastructure categories which use a standard discount factor for employees of 0.5 to calculate service population, the frequency of use between residents and employees is adjusted downwards for recreation and open space to reflect the findings of a study performed by the Hausrath Economics Group. The study indicates that employees use park facilities at a rate of 0.19 times that of residents.[12] As a result, the service population for recreation and open space is calculated as one times the number of residents plus 0.19 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report.

Service Population

Two of the included nexus methodologies (recreation and open space, and streetscape and pedestrian infrastructure) rely on the "service population" concept for their LOS. Service population is a relatively standardized concept, which determines the level of capital infrastructure demand placed on given infrastructure by additional development, including both residents and employees.[13] Service population can be estimated either at a building level, by estimating the typical population and/or worker density of the building use, or at a citywide level. For purposes of this study, the city's total service population is calculated as one times the resident population plus 0.19 times the employment population (1:0.19 ratio) for recreation and open space, and, as one times the resident population plus half of the employment population (1:0.5 ratio) for streetscape and pedestrian infrastructure.

[12] Hausrath Economics Group, "Phoenix Park and Library EDU Factors Study". A Report to City of Phoenix Planning Department. September 1998. The park usage factor of 0.19 from the Hausrath study was applied to the San Francisco context by both the *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis* and the 2008 *City and County of San Francisco Citywide Development Impact Fee Study*.

[13] *Service Population Concept Memorandum*, September 24, 2013, listed in Appendix A and included in the accompanying background materials compact disc.

This approach evaluates infrastructure demand based on both place of residence and place of work. Under this model, resident-employees (i.e. persons that both live and work in San Francisco) are counted twice, once for their home location, and once for where they work. This methodology accounts for the infrastructure need generated both at their place of work and at their place of residence (e.g. required parks and sidewalks near their homes and near their offices). While employees require similar capital improvements (e.g. parks and sidewalks) as residents, the employee factor has been discounted (to 0.19 or to 0.5) to reflect a conservative approach to employee capital infrastructure demand. These 1:019 and 1:0.5 ratios serve as the basis for the service population calculations.

For streetscape and pedestrian infrastructure, the service population calculation discounts employees to 0.5, relative to residents (weighted as 1). This discounting represents an industry standard discount factor for employees in service population calculations.[14] For recreation and open space, the service population calculation discounts employees further to 0.19, relative to residents (weighted as 1). This discounting represents the finding, as analyzed by the Hausrath Economics Group (see Footnote 12), that people require and use recreation and open space near their homes much more than near their workplace. As a result, the recreation and open space chapter applies a modified service population calculation which weights employees less than the standard (0.5) discount factor.

Note that although bicycle infrastructure relies on a project-based approach to determine bicycle infrastructure requirements, the nexus methodology for bicycle infrastructure uses the "service population" concept to apportion cost. The total cost for all bicycle infrastructure projects is allocated to new development based on new development's share of the growth in service population. In this case, the conventional service population calculation (of ascribing one unit to residents and 0.5 units to employees) is applied.

Administrative Costs

For each fee calculation, five percent of the calculated cost is added to cover administrative services, as directed by the San Francisco Planning Department, which oversees the fee calculation.[15] Five percent reflects the average administrative cost across all citywide and neighborhood fees.[16]

Gross Square Feet

Consistent with current City practices, all fees are presented in terms of cost ($) per gross square foot (GSF). For neighborhoods which have a considerably lower or higher residential efficiency rate[17] than the 80 percent applied in the assumptions in Table 4, the Planning Department reserves the right to recalculate fees based on adjusted assumptions.

SUMMARY OF CITYWIDE IMPACT FEES

The impact fees determined in this nexus analysis are tabulated below (Table 5). The fees range from a few cents per square foot (bicycle infrastructure fee) to almost fifteen dollars per square foot (residential recreation and open space fee).

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[14] *Service Population Concept Memorandum*, September 24, 2013, listed in Appendix A and included in the accompanying background materials compact disc.
[15] *Administrative Cost Memorandum*, November 4, 2013, listed in Appendix A and included in the accompanying background materials compact disc.
[16] Five percent was used in the 2008 *Citywide Development Impact Fee Study*, as well as in the 2008 *Eastern Neighborhoods Impact Fee and Affordable Housing Analysis*.
[17] A building's efficiency rate reflects the ratio of leasable or rentable area to gross floor area.

Table 5. Maximum Supportable Citywide Impact Fees per GSF, 2013

Citywide Nexus Fees	
Recreation and Open Space	
Residential ($/GSF)	$14.99
Non-Residential ($/GSF)	$4.34
Childcare	
Residential ($/GSF)	$1.86
Non-Residential ($/GSF)	$1.58
Streetscape and Pedestrian Infrastructure	
Residential ($/GSF)	$7.98
Non-Residential ($/GSF)	$6.08
Bicycle Infrastructure	
Residential ($/GSF)	$0.06
Non-Residential ($/GSF)	$0.04

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

COMPARISON OF CITYWIDE IMPACT FEES WITH EXISTING IMPACT FEES

The calculated citywide impact fees support the existing impact fees in all categories. Additionally, all calculated citywide fees exceed the maximum existing neighborhood fee by at least 10%, as shown in Table 6. Note that both existing and maximum supportable citywide fees are expressed in $/GSF.

Table 6. Comparing Maximum Supportable Citywide Fees to Existing Fees

	Maximum supportable Citywide Fee (determined by this Nexus)	Highest Existing Fee (2013 fee rates)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)
Recreation and Open Space			
Residential ($/GSF)	$14.99	$8.85	59%
Non-Residential ($/GSF)	$4.34	$2.21	51%
Childcare Infrastructure			
Residential ($/GSF)	$1.86	$1.68	90%
Non-Residential ($/GSF)	$1.58	$1.12	70%
Streetscape and Pedestrian Infrastructure			
Residential ($/GSF)	$7.98	$6.66	83%
Non-Residential ($/GSF)	$6.08	$2.14	35%
Bicycle Infrastructure			
Residential ($/GSF)	$0.06	$0.05	83%
Non-Residential ($/GSF)	$0.04	$0.02	50%

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.

2. Recreation and Open Space

This chapter summarizes the nexus analysis for recreation and open space. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the maximum supportable nexus fee.

INTRODUCTION

RECREATION AND OPEN SPACE BACKGROUND

Recreation and open space is a common, City-provided, public amenity. San Francisco, like most cities, aims to provide adequate quality open space for the broader public health and quality of life of its citizens and workforce. As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and enhanced) open space. This relationship between new development, an influx of residents and workers, and a demand for open space provides the nexus for an impact fee.

The impact of new residential development on the need for open space is widely understood in California and development impact fees for open space are commonly imposed in many California jurisdictions. In addition to serving the residential population, the City has a longstanding commercial development impact fee, the Downtown Park Fee, initiated in 1985, which supports recreation space in the downtown area for the neighborhood's daytime employee population.[18] In adopting the Downtown Park Fee, the Board of Supervisors recognized that continued office development in the Downtown increased the daytime population and created a need for additional public park and recreation facilities in the downtown. The Board recognized at that time that, while the open space requirements imposed on individual office and retail developments through the Planning Code addressed the need for plazas and other local outdoor sitting areas to serve employees and visitors in the district, such open space could not provide the same recreational opportunities as a public park. The City thus created the Downtown Park fund in order to provide the City and County of San Francisco with the financial resources to acquire and develop public park and recreation facilities necessary to serve the burgeoning daytime population in the Downtown. The City continued its commitment to insuring that recreation and open space facilities increased apace with new commercial development when it adopted open space fees on commercial development as a part of various Area Plans such as Market and Octavia, Eastern Neighborhoods, Balboa Park and Visitacion Valley (Table 1.)

[18] Planning Code Section 412. http://www.amlegal.com/nxt/gateway.dll/California/planning/article4developmentimpactfeesandprojectr?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$anc=JD_412

Providing recreation and open space – such as baseball diamonds, soccer fields, parks, playgrounds, tennis courts, flower gardens, community gardens, and greenways – is a capital intensive undertaking, especially in San Francisco where land availability is low and land prices are high. Recreation and open space fees, levied on new development, are collected to fund the acquisition and construction of new or expanded recreation capacity for the additional residents and workers directly attributable to new development.

Note that the terms "park space", "recreation space" or "open space" may be used in this chapter as shorthand to denote any and all recreation and open space.

PURPOSE AND USE OF REVENUES

The primary purpose of the recreation and open space development impact fee revenue is to fund expansion of San Francisco's recreation capacity to meet the demand from new development. Recreation and open space capacity can be increased either through the acquisition and construction of new park land, or through capacity enhancements to existing open space. Both types of open space investments increase the capacity of San Francisco's open space network to accommodate new development. Examples of how development impact fees would be used include:

- Acquisition and construction of new park and recreation land;
- Lighting improvements to existing parks, which extend hours of operation on play fields and allow for greater capacity;
- Recreation center construction, or adding capacity to existing facilities; and
- Converting passive open space[19] to active open space[20] through addition of trails, play fields, playgrounds, etc.

The recreation and open space impact fee aims to ensure that new development contributes its fair share of funding to recreation and open space. Because the LOS metric upon which the nexus is developed directly ties infrastructure to the service population, there is a clear relationship between new development, which increases housing and employment space, and an increase in demand for recreation capacity.

As with all impact fees, the fee may not be used to address existing infrastructure deficiencies, and, as such, no portion of the funds will be used for RPD's deferred maintenance tasks. Unlike capacity enhancements that make the open space usable by more people, deferred maintenance efforts simply restore open space to its initial capacity. For example, as noted above, a park enhancement might be adding lighting to a tennis court, which extends the effective hours of operation of the tennis court, allowing more people to use the court. By contrast, re-flooring a tennis court as part of a maintenance effort simply maintains the tennis court's capacity, and thus would not be a permitted use of funds in the development impact fee context.

This nexus analysis assumes that the City will fund 100 percent of the development-based demand for open space through the fee. This study estimates the maximum supportable fee based on the relationship between the cost to provide open space and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

[19] Lawn or forested areas dedicated for "general enjoyment of outdoors", as per RPD's *Parks Acquisition Policy* (August 2011).
[20] Recreational space construct to accommodate "team sports and athletics, children's play areas, courses and courts, bike, pedestrian and equestrian paths", as per RPD's *Parks Acquisition Policy* (August 2011).

NEXUS DETERMINATION

The maximum supportable fee calculation for recreation and open space infrastructure combines the proposed recreation and open space LOS metric with residential growth projections and the cost to provide recreation and open space.

LOS METRIC

Although recreation and open space infrastructure comprises a wide range of components, from playgrounds, lawn areas and recreation centers, to baseball diamonds and forested areas, the LOS metric put forth in the *San Francisco Infrastructure Level of Service Analysis* – acres of open space per service population unit – encompasses, undifferentiated, all types of park-related improvements.

As noted in the *San Francisco Infrastructure Level of Service Analysis*, the City is currently responsible for providing 4.0 acres of open space per 1,000 service population units, and aims to maintain this provision into the future.[21] This metric assumes that for each new service population unit, the City will provide an equivalent level of service, whether it comes in the form of new open space or capacity improvements to existing open space (see Nexus Methodology & Fee Calculation section below for more detail).

GROWTH PROJECTIONS

The development horizon for recreation and open space is 2030. Between 2013 and 2030, San Francisco is projected to house 127,040 more people and employ 106,108 more workers (Table 7).

[21] City-provided park land includes land owned by the Recreation and Parks Department, the Department of Public Works, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency.

Table 7. Growth Projections for Recreation and Open Space (2013 - 2030)

	2013	2030	Growth (2013 - 2030)	Percent Increase
Population				
Population	820,585	947,625	127,040	15%
Employment				
Jobs	600,740	706,848	106,108	18%
Service Population				
Service population[1]	934,726	1,081,926	147,200	16%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: all values are rounded to the nearest integer.

1. Service population is a weighted sum of residents and employees. Unlike the streetscape and pedestrian infrastructure and bicycle infrastructure categories which use a standard discount factor for employees of 0.5 to calculate service population, the frequency of use between residents and employees is adjusted downwards for recreation and open space to reflect the findings of a study performed by the Hausrath Economics Group. The study indicates that employees use park facilities at a rate of 0.19 times that of residents.[22] As a result, the service population for recreation and open space is calculated as one times the number of residents plus 0.19 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 8) calculates the total cost of increasing open space acreage for the new service population (2013-2030), and distributes the cost between residential and non-residential land uses based on their associated contributions to total incremental service population growth. The residential fee is based on the percentage of service population units arising from the new resident population; the non-residential (commercial) fee is based on the percentage of service population units arising from the increase in employee population.

Note that, to maintain the LOS at 4.0 acres of open space per 1,000 service population units, an equivalent of 566 new acres of open space would need to be constructed (Table 8, Row G). Given the size of San Francisco, the building density, and expensive land costs, constructing 566 new acres of open space within San Francisco is infeasible.[23] RPD has determined that it can reasonably acquire 55 new acres of open space within San Francisco. The remaining 511 acres demanded by the LOS (566 minus 55) will be accommodated not through the construction of new park acres, but through the capacity improvement of existing acres.[24] The capacity

[22] Hausrath Economics Group, "Phoenix Park and Library EDU Factors Study". A Report to City of Phoenix Planning Department. September 1998. The park usage factor of 0.19 from the Hausrath study was applied to the San Francisco context by both the San Francisco Eastern Neighborhoods Nexus Study and the 2008 City and County of San Francisco Citywide Development Impact Fee Study.

[23] RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in meetings that RPD could not feasibly acquire and construct 566 acres of new open space within San Francisco. Dawn Kamalanathan confirmed this assertion in an email dated February 13, 2014.

[24] If land were available for 566 acres of new open space in San Francisco, developers would be charged the acquisition and improvement cost ($9,365,400 per acre for acquisition (Table 8, Row J) plus $939,197 per acre for capacity improvement (Table 8, Row K)) for the full 566 acres. Given the constraints, the stated approach of charging developers the full cost (acquisition plus improvement) for only 55 acres, and a capacity improvement cost only for the remaining acres (511) represents a discounted nexus and more accurately reflects how much land RPD will acquire and improve.

improvements of existing acres must add capacity to the existing land (refer to Purpose and Use of Revenues section above).[25]

Table 8. Nexus Methodology for Recreation and Open Space Fee

*	Measure	Value	Source/Calculation
Service Population			
A	Total service population projected for 2030	1,081,926	Table 7
B	Total projected service population growth (2013-2030)	147,200	Table 7
Unit Conversions			
C	Residential (GSF/service population)	498	Table 4
D	Commercial (GSF/service population)	1,721	Table 4
Metric			
E	Total acres of open space (all City owners, 2013)	3,762	RPD[1]
F	Acres of park improvements per 1,000 Service Population Units	4.0	*San Francisco Infrastructure Level of Service Analysis* (March 2014)
Cost			
G	Incremental acres of open space required to maintain LOS (2013-2030)	566	A / 1000 * F - E
H	Feasible new acres of open space (2013-2030)	55	RPD[2]
I	Acres of open space to be improved (2013-2030)	511	G - H
J	City estimate of unit acquisition cost ($/acre of open space acquired)	$9,365,400	*RPD Cost Assumptions Memorandum (March 2014*)
K	City estimate of unit improvement cost ($/acre of open space improved)	$939,197	*RPD Cost Assumptions Memorandum* (March 2014)
L	Total cost for new open space	$566,753,000	H * (J + K)
M	Total cost for improved open space	$479,930,000	I * K
N	Cost attributable to incremental growth	$1,046,683,000	L + M
O	Administrative costs (5% of fee)	$52,334,000	*Administrative Cost Memorandum* (November 4, 2013)
P	Total attributable cost with administrative costs	$1,099,017,000	N + O
Nexus Fee Maximums			
Residential ($/GSF)		**$14.99**	P / (B * C)
Non-Residential ($/GSF)		**$4.34**	P / (B * D)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Lines M and N, and the nexus fee maximums) are rounded to the nearest thousand. Nexus fee maximums are rounded to the nearest cent.

1. RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in a meeting on November 14, 2013, that RPD owns 3,437.28 acres of open space within San Francisco, and that other City agencies (the Port, DPW, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency) own another 324.4 acres of open space within San Francisco, for a total of 3,762 acres of open space within San Francisco.

2. RPD staff members Dawn Kamalanathan, Planning Director, and Stacey Bradley, Planner, advised in meetings that RPD could feasibly acquire and construct 55 new acres of open space. Dawn Kamalanathan confirmed this via email dated February 13, 2013.

[25] To fully maintain the LOS, the capacity improvements would need to double the open space capacity. Capacity improvements to parks vary in effectiveness, with typical enhancements improving park capacity by 20 to 30 percent, according to RPD staff (Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, via email received January 10, 2014, from Kearstin Dischinger, Senior Community Development Specialist of the Planning Department). Therefore, improvement acreage and cost represents a conservative, discounted nexus. One of the challenges with the application of this approach is that it will become difficult to measure how the LOS has been maintained moving forward. The Planning Department has advised AECOM that it will work with RPD to develop a clear set of equivalency units, which identify the relationship between improvements and increased capacity. These equivalencies will help ensure that the fees are used to directly address proportional capacity increases.

NEXUS FINDINGS

Based on the approach summarized in Table 8, the maximum estimated cost per residential square foot is $14.99 per gross square foot, and the estimated non-residential fee is $4.34 gross square foot.

As Table 9 demonstrates, both determined maximum supportable fees are above the highest existing fee for recreation and open space. The highest existing recreation and open space fees recover 50 to 60 percent of the maximum supportable nexus.

Table 9. Comparing Proposed Maximum Supportable Recreation and Open Space Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential ($/GSF)	$14.99	$8.85	59%	YES
Non-Residential ($/GSF)	$4.34	$2.21	51%	YES

3. Childcare

This chapter summarizes the nexus analysis for childcare infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

CHILDCARE SPACE BACKGROUND

For families with children – especially those with children under the age of thirteen – childcare is a key concern. In San Francisco particularly, with high housing costs, many families have working parents and, therefore, require non-parent childcare. The City recognizes the importance of childcare as a community-serving amenity, and first adopted a childcare inclusionary zoning ordinance with an in-lieu fee option in 1986 as part of the Downtown Plan.[26] In addition to the City's childcare ordinance, there are four City Areas with Community Infrastructure Impact Fees that include a childcare component – Market & Octavia, the Eastern Neighborhoods, Visitacion Valley, and Balboa Park. These fees are used to help provide facilities for childcare demand resulting from new commercial and residential developments. The City will continue to plan for resident and employee childcare needs and articulate this commitment in local policy.

As new development occurs, it attracts new residents and employees, some of whom have children who require non-parent childcare. This relationship between new development, an influx of residents and workers, and a demand for childcare facilities provides the nexus for an impact fee. While childcare is not a mandated public service, the City government is involved in some capacities in the provision of licensed childcare options. Childcare fees, levied on new development, are collected to help fund childcare slots in the city, demand for which is directly attributable to new development.

[26] The ordinance applies to office and hotel development in the Downtown Area of the General Plan and the 2013 fee level is $1.11 per gross square foot. The City's ordinance establishes a separate fund for the collection of fee revenues, called the Child Care Capital Fund. Under this ordinance, "all monies in the fund shall be used solely to increase and/or improve the supply of child care facilities affordable to households of low and moderate income" (Section 414 of the City Planning Code). Since adoption, the City has collected $7.1 million in childcare in-lieu fees (through Fiscal Year 2010-2011). During the same time period, the Child Care Capital Fund has expended $6.5 million. The City currently contracts with the Low Income Investment Fund (LIIF) to administer the expenditures of the Fund (FY 2010-2011 Development Impact Fee Report, Controller's Office, City and County of San Francisco, December 1, 2011).

PURPOSE AND USE OF REVENUES

The primary purpose of the childcare development impact fee is to fund expansion of San Francisco's childcare capacity to meet the demand from new development. That is, impact fee revenues are intended to be used to mitigate the childcare demands of the increasing population. Monies from the childcare impact fee may only be used to fund capital childcare projects and facilities.

Through discussions with City staff, it was determined that, while there is a need for additional school-age childcare capacity in the City, the needs are for operations assistance, not for additional facilities. After-school care is typically provided at school sites, using school facilities. Given that impact fee revenues must be spent on capital costs to maintain or increase the supply of facilities, they are not an appropriate source of funding for expanding after-school care capacity. The City does not intend to assist in the creation of new facilities providing after-school care; instead, the City intends to use other funding sources to assist the operation of after-school programs. Due to the fact that childcare impact fees are limited to capital improvements, this analysis is limited to infant, toddlers, and preschool-age children only and does not address the childcare needs of school-age children (ages 6 to 17).

This study estimates the maximum supportable fee based on the relationship between the cost to provide childcare and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for childcare combines the proposed childcare LOS metrics with residential growth projections and the cost to provide licensed childcare.

LOS METRIC

Two LOS metrics, developed with the City and described in detail in the *San Francisco Infrastructure Level of Service Analysis,* are applied in this fee determination: (1) childcare demand accommodation for infants and toddlers (ages 0 to 2), and (2) childcare demand accommodation for preschoolers (ages 3 to 5). In both cases, the LOS target that the City aims to achieve in the relevant timeframe, and which will be applied in the calculation of the maximum supportable development impact fee, is to maintain the existing level of service provision.

In terms of infant and toddler childcare, the existing number of childcare slots available represents capacity for 37 percent of the infant and toddler childcare demand in the city. For preschoolers, the current number of childcare slots available in the city represents capacity for 99.6 percent of the preschool childcare demand in the city.[27] The City aims to maintain this provision into the future as the population and workforce grows, providing capacity for 37 percent of infant and toddler childcare demand and capacity for 99.6 percent of preschooler childcare demand.

GROWTH PROJECTIONS

The development horizon for childcare is 2020. This shortened timeframe, compared to the 2030 timeframe used for analysis of recreation and open space and streetscape and pedestrian infrastructure, is used for childcare because of irregularities in the projected growth trends for children in San Francisco. Unlike the general population, which is projected to increase steadily, the child population in San Francisco is projected to rise through 2020, and then begin a slow decline over the following decade.[28] Nonetheless, while the population of

[27] Childcare Demand Estimates for Licensed Care are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).
[28] California Department of Finance P-3: State and County Total Population Projections by Race/Ethnicity and Detailed Age, 2010-2060.

children is projected to decline after 2020, the City has many policies to encourage families to stay and live in San Francisco, such that the population of children may not necessarily decline as projected. A shorter timeframe to 2020 affords the opportunity to revisit the projections in several years without under-providing in the short-term. Avoiding short-term under-provision is especially prudent if the projected trend of a declining child population does not materialize.

Table 10. Growth Projections and Demand Estimates for Childcare (2013 – 2020)

	2013	2020	Growth (2013 - 2020)	Percent Increase
Population				
Population	820,585	872,451	51,866	6%
Employment				
Jobs	600,740	677,531	76,791	13%
Childcare Demand Estimates (for Licensed Care)[1]				
Infants/Toddlers Requiring Care in San Francisco	8,005[2]	10,534	2,529	32%
Preschoolers Requiring Care in San Francisco	14,717[3]	17,002	2,285	17%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.
Note: All values rounded to the nearest integer.
1. Childcare Demand Estimates for Licensed Care are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report, (Appendix: Childcare Demand Calculations). Note that childcare demand numbers are rounded to the nearest integer. Note also that these totals represent demand for childcare *in San Francisco*. Some San Francisco residents with children are employed outside of San Francisco, and demand childcare outside of San Francisco. Some people with children, who are employed in San Francisco but live elsewhere, demand childcare outside of San Francisco. These childcare demands of San Francisco residents and employees for childcare outside of San Francisco are not included in the totals above.
2. Of the 8,005 infants and toddlers requiring care in San Francisco, 4,144 are *resident* infants and toddlers (i.e. the children of San Francisco residents; see A in Table 11), and 3,861 are *non-resident* infant and toddlers (i.e. the children of people who work in San Francisco but live elsewhere; see B in Table 11). These demand estimates are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).
3. Of the 14,717 preschoolers requiring care in San Francisco, 10,878 are *resident* preschoolers (i.e. the children of San Francisco residents; see C in Table 11), and 3,839 are *non-resident* preschoolers (i.e. the children of people who work in San Francisco but live elsewhere; see D in Table 11). These demand estimates are calculated in the 2014 *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations).

Unlike other infrastructure categories, which are required by residents and employees at multiple locations (both at home and at work), childcare facilities are required in only one location per child in need of care. As a result, an LOS based on service population (like recreation and open space, and streetscape and pedestrian infrastructure) is not relevant to childcare.[29] Instead, the childcare nexus is based on future childcare demand estimates. Between

[29] In the service population calculation, both residents and employees are counted (residents at a weight of one and employees at a discounted weight). A resident-employee – i.e. someone who both lives and works in San Francisco – would be counted more than once. For recreation and open space and streetscape and pedestrian infrastructure, this "double-counting" represents the fact that a person requires, for example, parks and sidewalks at home as well as at work; for childcare, because a childcare slot is required only *either* at home or at work, this "double-counting" would overestimate the infrastructure requirements. Therefore, a childcare LOS cannot be based on the service population calculation like recreation and open space and streetscape and pedestrian infrastructure.

2013 and 2020, San Francisco is projected to generate demand for 2,529 new licensed infant and toddler childcare slots and 2,285 new licensed preschooler childcare slots.[30]

NEXUS METHODOLOGY & FEE CALCULATION

The childcare nexus analysis seeks to estimate the cost of maintaining the current LOS for childcare in the city as the demand for childcare grows over time (as population and employment grows), and to assign this cost to residential and non-residential construction on a per-square foot basis. Specifically, the childcare nexus analysis applies the existing ratio of capacity to demand by age group to the new childcare demand expected in the city over the next seven years to estimate the increased need for childcare spaces in the city. It then calculates the capital costs required to provide these childcare spaces to accommodate the new population (at the same ratio of capacity to demand). Lastly, the costs are assigned to new housing units and new non-residential development on a per-square-foot basis. Residential development assumes the cost of providing childcare that is required near the home, while commercial development assumes the cost of providing childcare that is required near the place of work. Based on survey data collected for the Child Care Planning and Advisory Council (CPAC) San Francisco Child Care Needs Assessment report, 80.5 percent of resident parents prefer childcare near their home, while 19.5 percent of resident parents prefer childcare near their place of work.[31] Non-resident parents who require childcare in San Francisco are assumed to require childcare at their place of work.[32] Based on these childcare location preferences, as shown in Table 11, residential development assumes 42 percent of the cost of providing infant and toddler care and 60 percent of the cost of providing preschooler care; non-residential development assumes 58 percent of the cost of providing infant and toddler care and 40 percent of the cost of providing preschooler care.

[30] See the *San Francisco Infrastructure Level of Service Analysis* report (Appendix: Childcare Demand Calculations), which contains a detailed summary of childcare demand calculations and assumptions for both 2013 and future (2020) demand.

[31] Survey data from the Resource and Referral Agency Parent Follow-up Survey (2007) indicates that 71 percent of parents prefer childcare at home, while 10 percent of parents prefer childcare at work (or en route to work). The remaining 19 percent prefer childcare either on the way to work or on the way home, near a sibling's school, or some other location. This outstanding 19 percent was apportioned equally between 'home' and 'work' designations for the purposes of this analysis, resulting in the assumption that 80.5 percent of parents prefer childcare near the home, while 19.5 percent of parents prefer childcare near their place of work. See CPAC San Francisco Child Care Needs Assessment Report, 2007 (Section V. Parent Choice).

[32] Non-resident parents who require childcare in San Francisco have homes outside San Francisco. Since they are demanding childcare in San Francisco, they are assumed to require care near their place of work. More detail about non-resident parents who require childcare in San Francisco is included in the *San Francisco Infrastructure Level of Service Analysis* report, Appendix Childcare Demand Calculations.

Table 11. Apportionment of Childcare Demand Between Residential and Non-Residential Development

*	Measure	Value	Source/Calculation
Infant-Toddlers (0-2) Requiring Care in San Francisco			
A	Resident-Children	4,144	Table 10 (see Table Note 2)
B	Non-Resident-Children	3,861	
Preschoolers (3-5) Requiring Care in San Francisco			
C	Resident-Children	10,878	Table 10 (see Table Note 3)
D	Non-Resident-Children	3,839	
Childcare Location			
E	Childcare near home	80.5%	CPAC San Francisco Child Care Needs Assessment 2007 (Chapter V. Parent Choice)
F	Childcare near work	19.5%	
Infant-Toddlers (0-2) Childcare Demand Attribution			
Childcare Attributable to Residential Development		42%	(A * E) / (A + B)
Childcare Attributable to Non-Residential Development		58%	(A * F + B) / (A + B)
Preschooler (3-5) Childcare Demand Attribution			
Childcare Attributable to Residential Development		60%	(C * E) / (C + D)
Childcare Attributable to Non-Residential Development		40%	(C * F + D) / (C + D)

Source: AECOM, 2013

Note: Values in Lines A to D represent 2013 demand estimates (see Table 10); values in lines E and F represent childcare location information from the 2007 CPAC San Francisco Child Care Needs Assessment Report (see Footnote 31). The childcare demand attribution percentages calculated based on these values are assumed to be relatively constant over time. All values rounded to the nearest integer, except for lines E and F, which are rounded to the nearest tenth.

Table 12. Nexus Methodology for Infant and Toddler Childcare Fee

*	Measure	Value	Source/Calculation
Service Population			
A	Total new infants and toddlers (2013-2020)	2,529	Table 10
Metric			
B	% of Capacity for Infant and Toddler Care Demand (0-2)	37%	LOS Metric
Cost			
C	Incremental # of childcare spaces (2013-2020)	936	A * B
D	City estimate of unit cost ($/childcare space)	$26,250	LIIF, OECE [1]
E	Total cost for new childcare spaces	$24,570,000	C * D
F	Cost attributable to incremental growth	$24,570,000	100% E[4]
G	Administrative costs (5% of fee)	$1,229,000	*Administrative Cost Memorandum* (November 4, 2013)
H	Total attributable cost with administrative costs	$25,799,000	F + G
Attributable Amounts			
I	Percent attributable to residential development based on preferred childcare location	42%	Table 11
J	Percent attributable to commercial development based on preferred childcare location	58%	Table 11
K	Amount attributable to residential development	$10,836,000	H * I
L	Amount attributable to non-residential development	$14,963,000	H * J
Unit Conversions			
M	Total new estimated residential development (GSF)	25,829,000[2]	See Table Note 2.
N	Total new estimated commercial development (GSF)	25,111,000[3]	See Table Note 3.
Nexus Fee Maximums			
Residential ($/GSF)		$0.42	K / M
Non-Residential ($/GSF)		$0.60	L / N

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Line D, and the nexus fee maximums) are rounded to the nearest thousand. Nexus fee maximums are rounded to the nearest cent.

1. This amount was determined by Asian Neighborhood Design, with updated cost estimates from the San Francisco Child Care Facilities Interagency Committee. As of 2013 (per email dated October 3, 2013 from Graham Dobson, Administrative Analyst for Office of Early Child Care and Education), the average cost of new construction per childcare space is estimated to be $350 per square foot. Licensing requires 35 square feet indoors per child and 75 square feet outdoors per child; however LIIF uses 75 square feet per child both indoor and outdoor as a measure of a quality child care environment. The resulting fee is $26,250 ($350 per square foot multiplied by 75 square feet). This same cost is used regardless of age of children served.

2. Estimated new residential development is calculated at the average GSF per residential person (498, see Table 4) times the total 2013-2020 new residential population (51,866, Table 10).

3. Estimated new commercial development is calculated at the average GSF per commercial employee (327, see Table 4) times the total 2013-2020 new employee population (76,791, Table 10).

4. Refer to the report section entitled Growth Projections for a discussion of the one-to-one relationship between population and employment growth and physical development.

Table 13. Nexus Methodology for Preschooler Childcare Fee

*	Measure	Value	Source/Calculation
Service Population			
A	Total new preschool age children (2013-2020)	2,256	Table 10
Metric			
B	% of Capacity for Preschool Age Care Demand (3-5)	99.6%	LOS Metric
Cost			
C	Incremental # of childcare spaces (2013-2020)	2,247	A * B
D	City estimate of unit cost ($/childcare space)	$26,250	LIIF, OECE [1]
E	Total cost for new childcare spaces	$58,984,000	C * D
F	Cost attributable to incremental growth	$58,984,000	100% E
G	Administrative costs (5% of fee)	$2,949,000	*Administrative Cost Memorandum* (November 4, 2013)
H	Total attributable cost with administrative costs	$61,933,000	F + G
Attributable Amounts			
I	Percent attributable to residential development based on preferred childcare location	60%	Table 11
J	Percent attributable to commercial development based on preferred childcare location	40%	Table 11
K	Amount attributable to residential development	$37,160,000	H * I
L	Amount attributable to non-residential development	$24,773,000	H * J
Unit Conversions			
M	Residential (GSF/residential service population)	498	Table 4
N	Total new residential population (2013-2020)	51,866	Table 10
O	Total new estimated residential development (GSF)	25,829,000	M * N
P	Commercial (GSF/employee)	327	Table 4
Q	Total new employee population (2013-2020)	76,791	Table 10
R	Total new estimated commercial development (GSF)	25,111,000	P * Q
Nexus Fee Maximums			
Residential ($/GSF)		$1.44	K / O
Non-Residential ($/GSF)		$0.99	L / R

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values (except those specified by the City, i.e. Line D, and the nexus fee maximums) are rounded to the nearest thousand.

1. This amount was determined by Asian Neighborhood Design, with updated cost estimates from the San Francisco Child Care Facilities Interagency Committee. As of 2013 (per email dated October 3, 2013 from Graham Dobson, Administrative Analyst for Office of Early Child Care and Education), the average cost of new construction per childcare space is estimated to be $350 per square foot. Licensing requires 35 square feet indoors per child and 75 square feet outdoors per child; however LIIF uses 75 square feet per child both indoor and outdoor as a measure of a quality child care environment. The resulting fee is $26,250 ($350 per square foot multiplied by 75 square feet). This same cost is used regardless of age of children served.

NEXUS FINDINGS

Based on the above methodology, the maximum estimated nexus is $1.86 per gross square foot for residential buildings and $1.59 per gross square foot for non-residential buildings (Table 14). Charging both residential and commercial development the maximum supportable fee would not result in double-counting the impact on childcare because the total impact has been allocated proportionally to the two development types (as per Table 11).

Table 14. Maximum Supportable Impact Fees for Childcare

	Maximum supportable Citywide Fee
Childcare for Infant and Toddler Care Demand (0-2)	
Residential ($/GSF)	$0.42
Non-Residential ($/GSF)	$0.60
Childcare for Preschooler Care (3-5)	
Residential ($/GSF)	$1.44
Non-Residential ($/GSF)	$0.99
Total Childcare Fee	
Residential ($/GSF)	$1.86
Non-Residential ($/GSF)	$1.59

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

As Table 15 demonstrates, the highest current fees are less than the maximum amount supported by the nexus analysis. The highest existing residential nexus fee represents 90 percent of the maximum supportable amount, and the highest existing non-residential fee represents 70 percent of the maximum supportable amount.

Table 15. Comparing Proposed Maximum Supportable Childcare Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential ($/GSF)	$1.86	$1.68	90%	YES
Non-Residential ($/GSF)	$1.59	$1.12	70%	YES

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.

4. Streetscape and Pedestrian Infrastructure

This chapter summarizes the nexus analysis for streetscape and pedestrian infrastructure. After providing brief background, this chapter will outline the relevant growth assumptions, the LOS standard developed in the associated *San Francisco Infrastructure Level of Service Analysis*, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

STREETSCAPE AND PEDESTRIAN INFRASTRUCTURE BACKGROUND

Streetscape and pedestrian infrastructure encompasses a wide range of right-of-way facilities, and plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives. In 2010, the City of San Francisco published the Better Streets Plan (BSP) with design and maintenance guidelines for the pedestrian environment. Constructing "complete streets"[33] – considering safety, creation of social space on the sidewalk, and pedestrian aesthetic – is broadly the main motivator underlying the BSP recommendations. City stakeholders rely heavily on the BSP as their foremost streetscape policy document, representing thorough analysis and much design and engineering consideration.

As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and improved) streetscape and pedestrian infrastructure. This relationship between new development, an influx of residents and workers, and a demand for streetscape and pedestrian infrastructure provides the nexus for an impact fee. Providing streetscape and pedestrian is a capital intensive undertaking. Streetscape and pedestrian infrastructure fees, levied on new development, are collected to help fund the construction of new streetscape and pedestrian infrastructure for the additional residents and workers directly attributable to new development.

[33] Complete Streets are defined as streets which "are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders." Metropolitan Transportation Commission, "MTC One Bay Area Grant: Complete Streets Policy Development Workshop." 16 October 2012. Section 2.4.13 of San Francisco's Public Works Code outlines San Francisco's complete streets policy, which includes the construction of transit, bicycle, stormwater, and pedestrian environment improvements, where pedestrian environment improvements are defined as sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements as defined in the Better Streets Plan.

Note that the terms “streetscape” or “pedestrian infrastructure” may be used in this section as shorthand to denote both streetscape and pedestrian infrastructure. Streetscape and pedestrian infrastructure includes sidewalk space and relevant streetscape and pedestrian amenities in that space, such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco’s Public Works Code.

PURPOSE AND USE OF REVENUES

The primary purpose of the streetscape and pedestrian infrastructure development impact fee is to fund capital improvements to San Francisco’s streetscape and pedestrian infrastructure. As discussed in the BSP, the City aims to improve the pedestrian environment for all of San Francisco’s residents and employees. The impact fees will be used to make improvements to San Francisco’s pedestrian infrastructure. Acceptable uses of the fees include (but are not limited to) sidewalk paving, lighting installation, pedestrian signalization of crosswalks or intersections, street tree planting, bulb-out construction, street furnishing, landscaping, traffic calming, and other streetscape improvements cited in the BSP or Public Works Code (Section 2.4.13).

In addition to the streetscape and pedestrian infrastructure fee analyzed here, Planning Code Section 138.1 contains urban design requirements that authorize the Planning Department to require a project to provide physical streetscape and pedestrian improvements in certain instances and only for certain projects. Section 138.1 and the development impact fee may cover similar infrastructure but, as described more thoroughly in the *Streetscape Cost Memorandum* (March 20, 2014)**,** the Section 138.1 requirements and the fee analyzed here will not overlap for several reasons. First, Section 138.1’s requirements have limited application in that, in most instances, they apply only to larger projects and are not mandatory. Second, the cost estimates outlined in this analysis anticipate both requirements and insure that they do not overlap by removing the cost of items in Section 138.1 from the costs used to calculate the fee. Thus, even if a particular development is subject to both Section 138.1 and this fee, the City is not requiring a project sponsor to pay for pedestrian and streetscape improvements already required as part of its project under Section 138.1.[34]

The maximum supportable impact fee aims to ensure that new development contributes its fair share of funding to pedestrian and streetscape improvements. Because the LOS metric upon which the nexus is developed addresses demand of the entire service population, existing and projected, there is a clear relationship between new development, which increases housing and employment space, and an increase in pedestrian infrastructure.

This study estimates the maximum supportable fee based on the relationship between the cost to provide streetscape and pedestrian infrastructure and the LOS provision to accommodate new development. However, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for streetscape and pedestrian infrastructure combines the proposed streetscape and pedestrian infrastructure provision LOS metric with total population and employment growth projections and the cost to provide streetscape and pedestrian infrastructure.

LOS METRIC

Because streetscape and pedestrian infrastructure encompasses a wide range of components the LOS metric put forth in the *San Francisco Infrastructure Level of Service Analysis* – square feet of improved sidewalk per service

[34] Refer to the *Streetscape Cost Memorandum* (March 20, 2014) for a more detailed discussion.

population unit – serves as a proxy for all types of pedestrian-related improvements, and reflects the level of investment that the City has committed to making in the pedestrian environment.

'Improved sidewalk' is a term that denotes sidewalk with some amount of streetscape and pedestrian infrastructure, where streetscape and pedestrian infrastructure includes sidewalk space and relevant streetscape and pedestrian amenities in that space, such as lighting, pedestrian signals, street trees, bulb-outs, sidewalk furniture, and any other pedestrian elements defined in the Better Streets Plan (BSP) or Section 2.4.13 of San Francisco's Public Works Code. While the proscription for improved sidewalk is not uniform across San Francisco (i.e. the BSP calls for different streetscape and pedestrian infrastructure improvements depending on the site considerations, the street type, the traffic patterns, and so on), the intent of the BSP is to improve all San Francisco streetscape. Therefore, the basic square footage of sidewalk is denoted 'improved sidewalk' to reflect the investments the City is committed to make in the pedestrian right-of-way in terms of streetscape and pedestrian infrastructure.

As noted in the *San Francisco Infrastructure Level of Service Analysis*, the City intends to provide 88 square feet of improved sidewalk per service population unit into the future. This metric assumes that, by 2030, the City will improve its current amount of sidewalk hardscape (115 million square feet[35]), where the level of improvement will vary across streetscape segments based on street type, site conditions, built environment constraints, traffic patterns, and so on, as per the BSP.

GROWTH PROJECTIONS

The development horizon for streetscape and pedestrian infrastructure is 2030. Between 2013 and 2030, San Francisco is projected to house 127,040 more people and employ 106,108 more workers, as shown in Table 16.

Table 16. Growth Projections for Streetscape and Pedestrian Infrastructure (2013 - 2030)

	2013	2030	Growth (2013 - 2030)	Percent Increase
Population				
Population	820,585	947,625	127,040	15%
Employment				
Jobs	600,740	706,848	106,108	18%
Service Population				
Service population[1]	1,120,955	1,301,049	180,094	16%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

Note: All values rounded to the nearest integer.

1. Service population is a weighted sum of residents and employees, where residents are weighted at 100% and employees are weighted at 50%. Service population equals one times the number of residents plus 0.5 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

[35] This value is based on AECOM's analysis of DPW's database of sidewalk data (Stwidths1.xls). Refer to the *San Francisco Infrastructure Level of Service Analysis* report.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 17) calculates the total cost of providing adequate pedestrian and streetscape elements for San Francisco's service population (2013-2030).

In order to assign a development cost to the new infrastructure, a conservative value of $43 per square feet of improved sidewalk is applied. This number is based on DPW estimates for the cost of undertaking streetscape improvements, in accordance with the BSP.[36] The value does not reflect the cost of installing all possible streetscape improvements or the cost of constructing a complete street as per the Public Works Code (Section 2.4.13); rather, this value reflects the cost of installing some streetscape amenities, representative of the average San Francisco sidewalk improvement project. To develop the cost estimate, DPW provided costs for five prototypical streetscape and pedestrian infrastructure improvement projects. The five prototypical projects include: (1) a project where no streetscape and pedestrian infrastructure improvements are undertaken; (2) a project where curb ramps are installed or upgraded; (3) a project where sidewalks are repaved and bulb-outs constructed; (4) a project where sidewalks are repaved, bulb-outs are constructed, and streetscape amenities such as benches, trash cans, lighting, and street trees are installed; and (5) a project where sidewalks are repaved and widened, bulb-outs are constructed, and streetscape amenities such as benches, trash cans, lighting, street trees, medians, special crosswalk paving, pedestrian signals, and accessible pedestrian signals are installed. These five projects range from basic to elaborate. The average cost across these five prototypical projects represents an average cost to construct improved sidewalk. This cost was applied to reflect that not all sidewalks offer all streetscape amenities, and to ensure that developers are held to a reasonable standard that reflects what the City provides. Note that although an average cost value is used, reflecting a suite of possible streetscape elements, the fees may be used for any streetscape and pedestrian improvement measure outlined in the BSP or Public Works Code (Section 2.4.13).

The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

[36] Refer to the *Streetscape Cost Memorandum* (March 20, 2014) – listed in Appendix A and included in the accompanying background materials compact disc – for a detailed discussion of the streetscape cost estimate.

Table 17. Nexus Methodology for Streetscape and Pedestrian Infrastructure Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2030)	1,301,049	Table 16
B	Total new service population (2013-2030)	180,094	Table 16
Unit Conversions			
C	Residential (SF/service population)	498	Table 4
D	Commercial (SF/service population)	654	Table 4
Metric			
E	SF of improved sidewalk per service population	88	*San Francisco Infrastructure Level of Service Analysis* report (March 2014)
Cost			
F	City estimate of unit cost ($/SF of improved sidewalk)	$43	*Streetscape Cost Memorandum* (March 20, 2014)
G	Total cost for new streetscape improvements	$681,476,000	B * E * F
H	Cost attributable to incremental growth	$681,476,000	G * 100%
I	Administrative costs (5% of fee)	$34,074,000	*Administrative Cost Memorandum* (November 4, 2013)
J	Total attributable cost with administrative costs	$715,550,000	H* (1 + I)
Justified Nexus Fee Maximums			
Residential ($/GSF)		$7.98	J / (B * C)
Non-Residential ($/GSF)		$6.08	J / (B * D)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line I (which is rounded to the nearest dollar), and the nexus fee maximums (which are rounded to the nearest cent)).

NEXUS FINDINGS

Based on the approach summarized in Table 17, the maximum supportable residential fee is $7.98 per gross square foot, and the maximum supportable non-residential fee is $6.08 per gross square foot

Table 18. Maximum Supportable Impact Fees for Streetscape and Pedestrian Infrastructure

	Maximum supportable Citywide Fee
Total Streetscape Fee	
Residential ($/GSF)	$7.98
Non-Residential ($/GSF)	$6.08

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

As Table 19 demonstrates, both the residential and the non-residential maximum supportable nexus fees are above the highest fees currently charged. The highest existing residential fee for streetscape and pedestrian infrastructure recovers 83 percent of the maximum supportable nexus; the highest existing non-residential fee recovers 35 percent of the maximum supportable nexus.

Table 19. Comparing Proposed Maximum Supportable Streetscape and Pedestrian Infrastructure Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential ($/GSF)	$7.98	$6.66	83%	YES
Non-Residential ($/GSF)	$6.08	$2.14	35%	YES

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.

5. Bicycle Infrastructure

This chapter summarizes the nexus analysis for bicycle infrastructure. After providing a brief background, this chapter will outline the relevant growth assumptions, the methodology used to determine the nexus fee, and the final determination of the nexus fee.

INTRODUCTION

BICYCLE INFRASTRUCTURE BACKGROUND

Bicycle infrastructure refers primarily to the City's bicycle network of bike lanes, bike paths, and sharrows, but also includes bicycle parking spaces, bicycle signals, and bicycle-sharing bikes and stations. Like streetscape and pedestrian infrastructure, bicycle infrastructure plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives. While not all residents and employees use bike infrastructure on a regular basis, improving the bicycle network benefits all, as it reduces congestion in other forms of transportation, and lowers the carbon emissions from the transportation sector.[37]

As new development occurs, it attracts new residents and employees, who, in turn, require new (or expanded and improved) bicycle infrastructure. This relationship between new development, an influx of residents and workers, and a demand for bicycle facilities provides the nexus for an impact fee. However, providing bicycle infrastructure – such as bicycle parking, bicycle signals, bicycle lanes, and bicycle-share bikes and stations – is a capital intensive undertaking. Bicycle infrastructure fees, levied on new development, are collected to help fund the construction of new bicycle infrastructure for the additional residents and workers directly attributable to new development. Other sources of funding for bicycle infrastructure include Caltrans, the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District, City propositions, and SFMTA.[38]

PURPOSE AND USE OF REVENUES

The primary purpose of a bicycle infrastructure development impact fee is to fund capital improvements to San Francisco's bicycle infrastructure. As is thoroughly discussed in San Francisco's 2013 *SFMTA Bicycle Strategy*, the City aims to improve the bike environment for all of San Francisco's residents and employees to promote a

[37] San Francisco Municipal Transportation Agency, "San Francisco Bicycle Plan." 26 June, 2009.
[38] San Francisco Municipal Transportation Agency, "SFMTA Bicycle Strategy." January 2013. While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the CIP project list to be put forward for San Francisco Board of Supervisors (Board) approval in April 2014 based on this document. Although no plans exist to take the 2013 *Bicycle Strategy* to the Board for adoption, the project list derived from it will be taken to the Board for CIP approval (in April 2014).

higher bike mode share. The impact fees will be used to make improvements to San Francisco's bicycle infrastructure in line with the discrete implementation strategies of the *SFMTA Bicycle Strategy*.

The proposed maximum supportable impact fee aims to ensure that new development contributes its fair share of funding to bicycle infrastructure improvements.

As with all impact fees, the fee revenue may not be used to address existing infrastructure deficiencies.

This analysis assumes that the City will fund 100 percent of the development-based demand for bicycle infrastructure improvements through the fee. This study presents a maximum supportable fee assignment – however, the City may choose to adopt a lower fee as appropriate.

NEXUS DETERMINATION

The maximum supportable fee calculation for bicycle infrastructure combines the proposed bicycle infrastructure project list with total population and employment growth projections, as well as the cost to provide bicycle infrastructure.

LOS METRIC

In 2013, the SFMTA produced the *SFMTA Bicycle Strategy*, outlining the proposed plan for San Francisco's bike network. This document sets the direction for bicycle infrastructure, and sets a distinct bicycle infrastructure goal for 2018. The *Bicycle Strategy* represents a comprehensive effort by SFMTA that has been accepted by SFMTA as its roadmap forward. As a result, the objectives of this policy form the basis for the nexus as opposed to an LOS metric standard.

The *Bicycle Strategy* outlines three potential scenarios for build-out of San Francisco's bike network by 2018. Of the three potential scenarios, the "Bicycle Plan Plus" scenario was selected, in consultation with SFMTA staff, as the best short-term infrastructure target for this nexus study. The Bicycle Plan Plus proposes upgrading the existing bicycle network to premium bike facilities, installing bike signals, adding bike parking spaces, and deploying a bike sharing system.[39] While the Bicycle Plan Plus improvements are through 2018, for the purposes of this nexus, it is assumed that the average annual improvements proposed in the Bicycle Plan Plus will continue through 2020, to allow for the impact fee to be calculated on an incremental basis through 2020. Table 20 summarizes the four improvement types expected as a result of the Bicycle Plan Plus strategy through 2020. The provision of these four items is the basis of the nexus.

[39] Premium facilities are bikeways rated Level of Traffic Street (LTS) 1 or LTS 2, based on San Francisco's Comfort Index rating of bikeways. Refer to the appended SFMTA presentation – "Bicycle Strategy Update Needs Assessment & Next Steps" (June 18, 2013) – for a more detailed description of bikeway classification in San Francisco. For further information on the bike sharing network see the *San Francisco Infrastructure Level of Service Analysis* report (March 2014).

Table 20. Bicycle Plan Plus Improvements

Improvements	Bicycle Plan Plus Proposal (2013-2018)	Assumed Incremental Improvements (2019-2020)[1]	Total Improvements Expected (2013-2020)
Incremental miles of premium bike lanes (2013-2020)	10	3	13
Incremental upgraded intersections (2013-2020)	10	3	13
Incremental bicycle parking (2013-2020)	4,000	1,333	5,333
Incremental bicycle share program bicycles (2013-2020)[2]	500	167	667

Source: *SFMTA Bicycle Strategy*; AECOM, 2013.

1. These numbers reflect AECOM's projections based on the average annual infrastructure improvements identified by the Bicycle Plan Plus proposal.

2. The bicycle share program, in addition to 667 bicycles, includes 67 stations – i.e. 50 bicycle share program stations in the Bicycle Plan Plus proposal (2013-2018) plus 17 assumed incremental stations (2019-2020).

GROWTH PROJECTIONS

The development horizon for bicycle infrastructure is 2020. This shorter-term development horizon mirrors the timeframe of the *SFMTA Bicycle Strategy*. Between 2013 and 2020, San Francisco will house 51,866 more people and employ 76,791 more workers, as shown in Table 21.

Table 21. Growth Projections for Bicycle Infrastructure (2013 – 2020)

	2013	2020	Growth (2013 - 2020)	Percent Increase
Population				
Population	820,585	872,451	51,866	6%
Employment				
Jobs	600,740	677,531	76,791	13%
Service Population				
Service population[1]	1,120,955	1,211,217	90,261	8%

Source: Overall population and employment taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013. See appended documents for files. Projections were given at five year intervals beginning in 2010, so AECOM used linear interpolation to arrive at 2013 estimates.

1. Service population is a weighted sum of residents and employees, where residents are weighted at 100% and employees are weighted at 50%. Service population equals one times the number of residents plus 0.5 times the number of employees. For a more detailed discussion of the service population concept, refer to the Service Population section of the report, under the Additional Assumptions section.

NEXUS METHODOLOGY & FEE CALCULATION

The fee calculation methodology (Table 22 to Table 25) calculates the total cost of providing adequate bicycle infrastructure elements for San Francisco's service population (2013-2020). Because the new facilities will be used by both existing and new service population, the total cost of providing the bicycle improvements is split proportionally, and only the proportional cost of the improvements are assigned to new development. The costs are distributed between residential and non-residential land uses based on their associated contributions to total incremental service population growth.

The residential fee is based on the percentage of service population units arising from the new resident population, and the non-residential (commercial) fee is based on the percentage of service population units arising from the employee population.

Table 22. Nexus Methodology for Upgrading Bikeway Miles to Premium Facilities Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental miles of premium bike lanes (2013-2020)	13	*SFMTA Bicycle Strategy*
Cost			
G	City estimate of unit cost ($/mile of upgraded premium lane)	$1,852,000	SFMTA Bicycle Strategy Cost Estimates[1]
H	Total cost for upgraded lanes	$24,076,000	F * G
I	Cost attributable to incremental growth	$1,806,000	C * H
J	Administrative costs (5% of fee)	$90,000	*Administrative Cost Memorandum* (November 4, 2013)
K	Total attributable cost with administrative costs	$1,896,000	I + J
Nexus Fee Maximums			
Residential ($/GSF)		$0.042	K / (B * D)
Non-Residential ($/GSF)		$0.032	K / (B * E)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 23. Nexus Methodology for Upgrading Intersections Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental upgraded intersections (2013-2020)	13	*SFMTA Bicycle Strategy*
Cost			
G	City estimate of unit cost ($/upgraded intersection)	$71,250	SFMTA Bicycle Strategy Cost Estimates[1]
H	Total cost for upgraded intersection	$926,000	F * G
I	Cost attributable to incremental growth	$69,000	C * H
J	Administrative costs (5% of fee)	$3,000	*Administrative Cost Memorandum* (November 4, 2013)
K	Total attributable cost with administrative costs	$72,000	I + J
Nexus Fee Maximums			
Residential ($/GSF)		$0.002	K / (B * D)
Non-Residential ($/GSF)		$0.001	K / (B * E)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 24. Nexus Methodology for Bicycle Parking Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental bicycle parking (2013-2020)	5,333	*SFMTA Bicycle Strategy*
Cost			
G	City estimate of unit cost ($/parking space)	$280	SFMTA Bicycle Strategy Cost Estimates[1]
H	Total cost for bicycle parking spaces	$1,493,000	F * G
I	Cost attributable to incremental growth	$112,000	C * H
J	Administrative costs (5% of fee)	$6,000	*Administrative Cost Memorandum* (November 4, 2013)
K	Total attributable cost with administrative costs	$118,000	I + J
Nexus Fee Maximums			
Residential ($/GSF)		$0.003	K / (B * D)
Non-Residential ($/GSF)		$0.002	K / (B * E)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of SFMTA (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

Table 25. Nexus Methodology for Bicycle Sharing System Fee

*	Measure	Value	Source / Calculation
Service Population			
A	Total projected service population (2020)	1,211,217	Table 21
B	Total new service population (2013-2020)	90,261	Table 21
C	New growth as % of total service population (2020)	7.5%	B / A
Unit Conversions			
D	Residential (GSF new development/service population)	498	Table 4
E	Commercial (GSF new development/service population)	654	Table 4
Metric			
F	Incremental bicycle share program stations (2013-2020)	667	*SFMTA Bicycle Strategy*
Cost			
G	City estimate of unit cost ($/bicycle share program stations)	$6,600	SFMTA Bicycle Strategy Cost Estimates[1]
H	Total cost for stations	$4,402,200	F * G
I	Cost attributable to incremental growth	$330,000	C * H
J	Administrative costs (5% of fee)	$17,000	*Administrative Cost Memorandum* (November 4, 2013)
K	Total attributable cost with administrative costs	$347,000	I + J
Nexus Fee Maximums			
Residential ($/GSF)		$0.008	K / (B * D)
Non-Residential ($/GSF)		$0.006	K / (B * E)

Source: AECOM, 2013

Note: All numbers and percentages are rounded to the nearest integer. All dollar values are rounded to the nearest thousand (except those specified by the City, i.e. Line G, and the nexus fee maximums). Nexus fee maximums are rounded to the nearest tenth of a cent.

1. Cost based on data from Seleta Reynolds, Section Leader of Livable Streets within the Sustainable Streets Division of (received via email attachment on June 26, 2013, as spreadsheet entitled Bike Strategy Cost Estimate 20121101.xls).

NEXUS FINDINGS

Based on the approach summarized in Table 22 to Table 25, the maximum supportable residential fee is $0.06 per GSF, and the maximum supportable non-residential fee is $0.04 per GSF.

Table 26. Maximum Supportable Impact Fees for Bicycle Infrastructure

	Maximum Citywide Fee
Premium (LTS 1, 2) Network Miles	
Residential ($/GSF)	$0.042
Non-Residential ($/GSF)	$0.032
Upgraded Intersections	
Residential ($/GSF)	$0.002
Non-Residential ($/GSF)	$0.001
Bicycle Parking	
Residential ($/GSF)	$0.003
Non-Residential ($/GSF)	$0.002
Bicycle Share Bicycles (with Accompanying Stations)	
Residential ($/GSF)	$0.008
Non-Residential ($/GSF)	$0.006
Total Bicycle Infrastructure Fee	
Residential ($/GSF)	$0.06
Non-Residential ($/GSF)	$0.04

Source: AECOM, 2013

Note: All values rounded to the tenth of a cent, except for the fee totals which are rounded to the nearest cent.

As Table 27 demonstrates, both determined maximum supportable fees are above the highest existing fee for bicycle infrastructure. For both residential and non-residential fees, the highest existing fee recovers under 85 percent of the maximum supportable nexus.

Table 27. Comparing Proposed Maximum Supportable Bicycle Infrastructure Fees to Existing (2013) Fees

	Proposed (Max)	Existing (Max)	Percent of Maximum Supportable Nexus Recovered by Existing Fee (Existing/Proposed)	Proposed Max > 10% Above Existing
Residential ($/GSF)	$0.06	$0.05	83%	YES
Non-Residential ($/GSF)	$0.04	$0.02	50%	YES

Source: AECOM, 2013

Note: All fee values rounded to the nearest cent; all percentages rounded to the nearest integer.

6. Conclusion

As described in the previous sections, the maximum supportable fees determined for the four infrastructure categories (recreation and open space, childcare, streetscape and pedestrian infrastructure, and bicycle infrastructure) all exceed the highest current fees charged at either the citywide or neighborhood level. While the City may choose to charge a lesser fee to new residential or non-residential development, this report demonstrates that the current fees continue to be supported through a demonstrated nexus between new development and the scale of the fee.

Table 28. Potential Maximum Supportable Fees Per Infrastructure Category (2013)

	Citywide Nexus Fees	Maximum Supportable Fee
	**Recreation and Open Space Provision**	
	Residential ($/GSF)	$14.99
	Non-Residential ($/GSF)	$4.34
	**Childcare**	
	Residential ($/GSF)	$1.86
	Non-Residential ($/GSF)	$1.59
	**Streetscape and Pedestrian Infrastructure**	
	Residential ($/GSF)	$7.98
	Non-Residential ($/GSF)	$6.08
	**Bicycle Infrastructure**	
	Residential ($/GSF)	$0.06
	Non-Residential ($/GSF)	$0.04

Source: AECOM, 2013

Note: All values rounded to the nearest cent.

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Addendum

The bulk of this report was completed in 2013, using 2013 data, costs, and demographic projections. However, since the report was finalized in 2014 and will face adoption in 2014, the maximum supportable nexus fees in Table 28 must be adjusted from 2013 dollars to 2014 dollars.

The City annually adjusts all developer impact fees using an Annual Infrastructure Construction Cost Inflation estimate (AICCIE). To derive an appropriate AICCIE, the Capital Planning Committee (CPC) reviews cost inflation data, market trend analyses, the Planning Department's pipeline report, and a variety of national, state, and local commercial and institutional construction cost inflation indices. In 2014, the CPC adopted an AICCIE of 4.5%. Therefore, all maximum supportable nexus fees determined in this report in 2013 dollars (Table 28) must be increased by 4.5% as an adjustment to 2014 dollars. The adjusted maximum supportable nexus fees for 2014 are shown in Table 29.

Table 29. Potential Maximum Supportable Fees Per Infrastructure Category (2014)

	Citywide Nexus Fees	Maximum Supportable Fee
	**Recreation and Open Space Provision**	
	Residential ($/GSF)	$15.66
	Non-Residential ($/GSF)	$4.54
	**Childcare**	
	Residential ($/GSF)	$1.94
	Non-Residential ($/GSF)	$1.66
	**Streetscape and Pedestrian Infrastructure**	
	Residential ($/GSF)	$8.34
	Non-Residential ($/GSF)	$6.35
	**Bicycle Infrastructure**	
	Residential ($/GSF)	$0.06
	Non-Residential ($/GSF)	$0.04

Source: AECOM, 2014

Note: All values rounded to the nearest cent.

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Appendix A

This appendix includes a list of all documents, presentations, emails, spreadsheets, webpages, and other reference sources cited in the text of this report. For the full-text copies of any of the listed documents, refer to the accompanying compact disc.

List of Documents Cited

Document Title / Citation	File Name
Service Population Concept Memorandum (September 24, 2013)	Service_Population_Concept_Memorandum_20130924.doc
Belsky, Eric. *Rental Vacancy Rates: A Policy Primer*. National Association of Home Builders. Housing Policy Debate, Volume 3, Issue 3. 793-813. 1992.	Rental_Vacancy_Rates_Belsky_1992.pdf
Eastern Neighborhoods Impact Fee and Affordable Housing Analysis	EN_Nexus_2008.pdf
Hausrath Economics Group. *Phoenix Park and Library EDU Factors Study*. A Report to City of Phoenix Planning Department. September 1998.	Phoenix_Library_Report_1998.pfd
Administrative Cost Memorandum (November 4, 2013)	Administrative_Cost_Memo_20131104.pdf
Parks Acquisition Policy (August 2011)	RPD_Acquisition_Policy_2011.pdf
RPD Cost Assumptions Memorandum (March 26, 2014)	RPDCostAssumptionsMemo_20140326.pdf
FY 2010-2011 Development Impact Fee Report. Controller's Office. City and County of San Francisco. December 1, 2011.	Development_Impact_Fee_Report_2011.pdf
CPAC *San Francisco Child Care Needs Assessment* (2007)	ChildCareNeedsAssessment_2007.pdf
San Francisco Better Streets Plan (December 7, 2010)	BetterStreetsPlan_20101207.pdf
Streetscape Cost Memorandum (March 20, 2014)	StreetscapeCostMemo_20140320.pdf
SFMTA Bicycle Strategy (January 2013)	SFMTABicycleStrategy_20130129.pdf
San Francisco Bicycle Plan (June 26, 2009)	SFBicyclePlan_20090626.pdf

List of Presentations Cited

Presentation Description	File Name
Slides from MTC's complete streets policy workshop	MTC_Complete_Streets_Policy_Workshop _slides.pdf
Slides from CPC presentation of 2014 AICCIE	2014_AICCIE_Presentation.pdf
SFMTA presentation entitled "Bicycle Strategy Update Needs Assessment & Next Steps" (June 18, 2013)	SFMTA_BicycleStrategyUpdatePresentation_20130618.pdf

List of Emails Cited

Email Description	File Name
Average employment densities	EmploymentDensities_Email_FromAOlsen_ToVLauf_20130715.pdf
Average residential unit size	AvgResUnitSize_Email_FromKDischinger_ToARoth_20130626.pdf
Confirmation from RPD regarding the commitment to construct 55 acres of recreation and open space by 2030 and the infeasibility of constructing 566 acres	RPDAcreages_Email_FromDKamalanathan_ToVLAuf_20140214.pdf
Bicycle Strategy as the basis for bicycle infrastructure CIP project list	BicycleStrategybasisforCIPprojectlist_Email_FromSReynolds_ToVLauf_20140116.pdf
Cost per child care slot	ChildCareSlotCost_Email_FromGDobson_ToARoth_20131003.pdf

List of Spreadsheets Cited

Spreadsheet Description	File Name
Apportionment of existing community fees among infrastructure categories	Max_fee_by Category_Planned.xlsx
Population and employment projections from San Francisco Planning Department received by AECOM on May 14, 2013 from Aksel Olson, Planner/Geographer in Citywide Information and Analysis Group, San Francisco Planning Department (GIS export)	Pop&EmplProjections_GISExport_20130611.xlsx
Supporting spreadsheet for RPD Cost Assumptions Memorandum	RPDCostAssumptionsMemoCalcs_20140321.xlsx
DPW spreadsheet of sidewalk widths across the city	Stwidths1.xls
AECOM analysis of DPW's sidewalk width data	20130814_SFNexus_sidewalks.xlsx
Cost estimate for bicycle infrastructure	Bike_Strategy_Cost_Estimate_20121101.xlsx
AECOM analysis of cost estimate for bicycle infrastructure	Bike_Strategy_Cost_Estimate_20121101_AECOM.xlsx
Average household size from ACS data (DP02)	ACS_11_3YR_DP02.pdf
Child population projections from DOF data	P-3_Total_DetailedAge_CAProj_2010-2060.pdf

List of Webpages Cited

Webpage Citation	File Name
Peterson, Justin. San Francisco Apartment Sector Amongst the Strongest. Reis Report.	San_Francisco_Apartment_Sector_ReisReport_20121003.pdf
Jones Lang Lasalle. Office Outlook: United States. Q2 2013.	USOO_Q2_2013.pdf
CoStar. Market Trend: San Francisco's Retail Vacancy Decreases to 2.7%.	San_Francisco's_Retail_Vacancy_Decreases_Costar_20130726.pdf
Krainer, John. Natural Vacancy Rates in Commercial Real Estate Markets. Federal Reserve Bank of San Francisco. October 5, 2001.	Natural_Vacancy_Rates_FRBSF_20011005.pdf

List of Meeting Notes Cited

Meeting Notes Description	File Name
Meeting notes showing acreage of City-owned recreation and open space	CityOwnedAcreage_MtgNotes_20131114.pdf

San Francisco Infrastructure Level of Service Analysis

March 2014

SAN FRANCISCO
PLANNING DEPARTMENT

ONESF
Building Our Future

AECOM

Table of Contents

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List of Acronyms

AB	Assembly Bill
BSP	San Francisco Better Streets Plan (2010)
CPAC	Childcare Planning and Advisory Council
DPH	Department of Public Health
DPW	Department of Public Works
FCCH	Family license care home
LOS	Level(s) of service
Muni	San Francisco Municipal Railway
NRPA	National Recreation and Park Association
OECE	Office of Early Care and Education
PEQI	Pedestrian Environmental Quality Index
PFA	Preschool for All
ROSE	Recreation and Open Space Element
RPD	San Francisco Recreation and Parks Department
SFMTA	San Francisco Municipal Transportation Agency
SFPUC	San Francisco Public Utilities Commission
SFUSD	San Francisco Unified School District

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1. EXECUTIVE SUMMARY

CAPITAL IMPROVEMENT PROGRAM PRIORITIZATION

Recognizing the critical role infrastructure plays in creating a thriving economy and vibrant communities, the City of San Francisco Planning Department and the Capital Planning Program commissioned this study to continue the City's efforts to strategically address its infrastructure needs. In recent years the City has moved forward on a number of initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally-constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year.

This study supports these efforts by quantifying the current level of infrastructure services within the city and by developing target levels for those services based on agency directives. The study also recognizes the City has limited resources to fund and maintain infrastructure, and needs to set realistic infrastructure provision goals. The results of this report are intended to help inform the City's capital planning process and future infrastructure decisions. As part of this process, the following five infrastructure categories have been reviewed:

1. Recreation and open space;
2. Childcare;
3. Streetscape and pedestrian infrastructure;
4. Bicycle infrastructure; and
5. Transit infrastructure.

For each of these categories, this study evaluates (1) the existing level of service (LOS), (2) an aspirational, long-term LOS standard, and (3) a realistic, short-term (2030[1]) LOS standard. Each of these LOS is described in greater detail below.

PROJECT OBJECTIVES

The infrastructure LOS review and analysis study has four clear objectives:

- To evaluate existing levels of infrastructure provision and distribution throughout the city;

[1] In most cases the timeframe of analysis is from the current year (2013) until 2030. Two exceptions are bicycle infrastructure and childcare, for which the timeframe of analysis extends until 2020. This selection of a shorter timeframe for these two infrastructure categories is discussed in more detail in the relevant infrastructure chapter.

- To recommend aspirational and attainable LOS targets for the city considering fiscal, policy, physical, and social constraints;
- To use existing LOS provisions along with the developed LOS standards as a tool to understand potential opportunities for capital investment; and
- To provide guidelines for evaluating capital projects in terms of citywide standards.

STANDARDS-BASED METRICS

The LOS metrics developed and evaluated in this study are, where possible, standards-based metrics. Standards-based metrics are LOS metrics that measure infrastructure provision against some measure of population – typically either population (residents) or service population.[2] An example of a standard-based metric would be: 2 miles of street per 1,000 residents. The LOS metrics for recreation and open space, pedestrian and streetscape infrastructure, and childcare were all developed as standards-based metrics.

The benefits of using standard-based metrics include being able to:

- Set clear City targets for infrastructure provision and capital planning;
- Measure infrastructure distribution across the city's neighborhoods, thereby identifying areas of need;
- Allow infrastructure provisions to be benchmarked against past/future provision;
- Inform future planning and large-scale redevelopment decisions;
- Develop a common language and tool for agency policies and various infrastructure types;
- Measure and track the City's infrastructure provision in relation to other comparable cities;
- Provide a visual tool to help prioritize capital investment; and
- Streamline the development impact fee nexus update process.

Given constraints associated with some infrastructure categories, not all metrics within this study are standards-based. Bicycle infrastructure and transit infrastructure metrics are both structured in alternate ways, relying on different measures of provision that are not directly correlated to population or service population. These two infrastructure categories take into account future capital needs and assign a share of those needs to development.

DEVELOPMENT PROCESS

Metrics were developed based on existing City policies, department consultation, and an overview of best practices from comparable cities throughout North America.[3] The key finding from the best practices review is that, while infrastructure metrics – particularly standards-based metrics – are rare among built-out cities, most

[2] Service population is a unit of measure that encompasses all local infrastructure users, including residents and employees. Residents are assigned one point, while employees are typically assigned 0.5 points to reflect their lower level of usage. For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

[3] Please see the Appendix – Citywide and Neighborhood Policy Documents for a list of policies and reports that were researched in the evaluation. Also, the Appendix – Case Study Tables provides an evaluation of infrastructure provision of San Francisco compared to cities surveyed.

cities surveyed expressed significant interest in developing such metrics as a way to simplify and standardize provision measurement and distribution.[4]

To develop LOS targets, the first step was to determine quantitative metrics for each infrastructure type. The current provision, using this quantitative metric, was mapped to understand distribution across neighborhoods. Next, the long-term aspirational goals were identified based on policy research and department input. The long-term goals reflect policy goals that may become achievable over the long-term under alternate financing and social landscapes – i.e. given fewer constraints, financial and otherwise. After quantifying these two conditions, the current LOS and the long-term aspirational goal, short-term targets were developed to reflect infrastructure development objectives that are more feasible given fiscal and social constraints. The short-term (2030 – or 2020, in the case of childcare and bicycle infrastructure) targets were developed in consultation with responsible departments, and reflect a reasonable estimate of what the City intends to achieve based on prevailing fiscal conditions in San Francisco for both capital and operations and maintenance costs. In some instances, the short-term targets reflect a preservation of the current LOS (childcare, recreation and open space), while for other infrastructure categories, the short-term targets reflect reasonable development plans (bicycle infrastructure, streetscape and pedestrian infrastructure).

In addition to supporting capital planning efforts, the short-term targets help inform future development impact fees: feasible short-term targets help set reasonable fee levels. By contrast, basing development impact fees on the ambitious infrastructure provision of the long-term aspirational goals would create an undue burden on new development that the City is unable to match.

Finally, it is important to note that these goals and targets do not preordain funding to specific locations but rather set up a systematic approach to help understand locations of potential infrastructure investment and determine potentially appropriate infrastructure projects to consider. Individual projects will be guided by a number of other factors including departmental guidance, community support, fiscal feasibility, and so on.

FINDINGS

Table 1 summarizes the current LOS provision, the long-term aspirational LOS goals, and the short-term LOS targets for the five infrastructure categories. The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure. A list of guiding policy documents that were used to develop the LOS metrics presented in this report are summarized in Table 2.

Because few cities have well-defined LOS targets, it can be difficult to compare San Francisco's performance against comparable cities. However, where it is possible to do so, San Francisco is clearly on par or better in terms of infrastructure provision. For recreation and open space, San Francisco, by various measures, provides 1.6 to 3.5 *more* acres of park per 1,000 residents than New York City. San Francisco also performs well in park provision in terms of access. Almost all residents in San Francisco live within a half mile of a park or recreation facility.

In addition to comparing well against other cities, San Francisco has also done a good job of meeting the provision goals it sets for itself. For bicycle infrastructure, the city has also completed all bicycle lane

[4] Many California cities that continue to expand into greenfield /undeveloped areas have infrastructure level of services standards in their general plans to inform privately developed master plans, as well as to set a development fee program that may be above their existing citywide provision.

improvements put forth in *the 2009 Bicycle Master Plan*. Such commitment to targets has helped San Francisco maintain its high levels of infrastructure provision and service.

NEXT STEPS / RECOMMENDATIONS FOR FURTHER STUDY

There are numerous possible ways to measure the provision of a given infrastructure type. The proposed metrics for each infrastructure type are constrained by the availability of data for each infrastructure type and by the availability of a clear understanding of costs associated with expanding capacity. Each section recommends additional data that could further refine and enhance the utility of these metrics.

Table 1. Summary of LOS Metrics for Five Infrastructure Categories

Facility Type	LOS Metric	Current Citywide Average	Long-term Aspiration	Short-term Target	Projected Citywide Shortfall [1]
	**Recreation and Open Space**	**LOS**	**LOS**	**LOS**	**2030**
1	Acres of City-Owned Open Space / 1,000 Service Population Units	4.0	4.0	4.0	566 acres
1.1	*Acres of Open Space / 1,000 SPU*		*3.5*	*3.5*	*55 acres*
1.2	*Acres of Improved Open Space / 1,000 SPU*		*0.5*	*0.5*	*511 acres*
2	Acres / 1,000 Adjacent Residents	0.7	0.5	0.5	N/A
	**Childcare**	**LOS**	**LOS**	**LOS**	**2020**
1	% of Infant and Toddler (0-2) Childcare Demand Served by Available Licensed Slots	37%	100%	37%	2,529 spaces
2	% of Preschool Age Children (3-5) Childcare Demand Served by Available Licensed Slots	99.6%	100%	99.6%	2,256 spaces
	**Streetscape and Pedestrian Infrastructure**	**LOS**	**LOS**	**LOS**	**2030**
1	Square feet of sidewalk / improved sidewalk space per service population unit (SPU)	103 square feet of sidewalk / SPU	88 square feet of *improved* sidewalk / SPU	88 square feet of *improved* sidewalk / SPU	N/A
	**Bicycle Infrastructure**	**Infrastructure**	**Infrastructure**	**Infrastructure**	**2020**
1	Number of Premium (LTS 1, 2) Network Miles	51 miles	251 miles, 100%	61 miles	10 miles
2	Number of Upgraded Intersections	3 intersections	203 intersections	13 intersections	10 intersections
3	Number of Bicycle Parking Spaces	8,800 spaces	58,000 spaces	12,800 spaces	4,000 spaces
4	Bicycle Share Program (Bikes + Accompanying Share Station)	0	300 stations 3,000 bicycles	50 stations 500 bicycles	50 stations 500 bicycles
	**Transit Infrastructure**	**LOS**	**LOS**	**LOS**	**2030**
1	Transit Crowding (% of Boardings Relative to Capacity)	N/A	N/A	85%	N/A
2	Transit Travel Time (Average Minutes per Trip)	33.72	N/A	33.60	N/A

Source: AECOM, 2013

1. Projected citywide shortfall is calculated by applying the short-term target LOS to the 2030 service population (or 2020 service population, in the case of childcare and bicycle infrastructure).

Table 2. Summary of Guiding and Reference Documents

Facility Type	Policy Document	Issuing Department	Year	Document Status
	Recreation and Open Space Element (ROSE)	Planning Department	June 2011	Draft report
	Acquisition Policy	RPD	Aug. 2011	Adopted
	San Francisco Child Care Needs Assessment	San Francisco Child Care Planning and Advisory Council (CPAC)	2007	Final report
	San Francisco Citywide Plan for Early Care and Education and Out of School Time		May 2012	Final report
	San Francisco Better Streets Plan (BSP)	Planning Department	Dec. 2010	Adopted
	Financing San Francisco's Urban Forest	DPW, Planning Department	Oct. 2012	Final report
	WalkFirst	DPH, SFMTA, Planning Department, San Francisco County Transportation Authority	Oct. 2011	Draft policy to be included in update of Transportation Element of the General Plan
	San Francisco Bicycle Master Plan	SFMTA	June 2009	Adopted
	SFMTA Bicycle Strategy	SFMTA	Dec. 2012	Internal policy document; basis for 2014 CIP project list (pending adoption of CIP project list in April 2014)
	San Francisco Transportation Sustainability Fee Nexus Study	SFMTA	Mar. 2012	Draft report

Source: AECOM, 2013

2. INTRODUCTION

In 2013, AECOM was retained by the San Francisco Planning Department and the San Francisco Capital Planning Program to conduct a review of the City and County of San Francisco's (the City's) infrastructure provision. The fundamental questions analyzed were:

1. What are the existing citywide levels of service (LOS) for the reviewed infrastructure categories?
2. What infrastructure LOS standards does the City aspire to if fiscally unconstrained?
3. What infrastructure LOS standards should the City realistically target?
4. Given LOS standards, for each infrastructure element, what is the anticipated citywide shortfall by 2030, based on population growth?

Specifically, this report provides insights into determining LOS targets for five infrastructure categories: (1) recreation and open space; (2) childcare; (3) streetscape and pedestrian infrastructure; (4) bicycle infrastructure; and (5) transit infrastructure. To determine LOS metrics and standards, this report relied on existing City plans and reports related to the five infrastructure elements. This report is intended to inform infrastructure provision in the city to address existing and future shortfalls.

The LOS targets developed as part of this work are consistent with current City plans and are intended to be applied as guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

PROJECT OBJECTIVES

The infrastructure LOS review and analysis portion of the project has four clear objectives:

- To evaluate existing levels of infrastructure provision and distribution throughout the city;
- To develop and propose aspirational and attainable LOS targets for the city;
- To use the existing provision along with the developed level of service standards as a capital planning tool; and
- To provide guidelines for evaluating capital projects in terms of citywide standards.

While this report does not cover the estimation of new development's share of infrastructure provision, it does provide the foundation for the Citywide Nexus Analysis.[5]

[5] Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014).

CAPITAL IMPROVEMENT PROGRAM PRIORITIZATION

Recognizing the critical role infrastructure plays in creating a thriving economy and vibrant communities, the City commissioned this study to continue its efforts to strategically address its infrastructure needs. In recent years the City has moved forward on a number of initiatives to strengthen its capital planning process, including establishing the Capital Planning Program and creating the City's first 10-Year Capital Plan in 2006. The Capital Plan is a fiscally-constrained, long-range plan that draws on existing planning documents, such as the City's General Plan and Neighborhood Area Plans, to guide policy and funding decisions related to infrastructure investments. The Plan is updated and approved by the Capital Planning Committee, the Board of Supervisors, and the Mayor every other year. This study, in part, will quantify the current level of infrastructure services within the city and develop target levels for those services. The results of this report will be incorporated into the City's capital planning process and help inform future infrastructure decisions.

INFRASTRUCTURE TYPES EVALUATED

The five infrastructure categories evaluated as part of this study include:

These infrastructure categories reflect the majority of the current impact fees that are charged at either the neighborhood or citywide level. As such, the City wants to frame provision of these categories in a common language that allows for easy comparison across categories and across the city.

Recreation and Open Space

Recreation and open space encompasses all recreation facilities within the city limits including park land and facilities owned by the San Francisco Recreation and Parks Department (RPD), as well as state and federal park land. This study will focus on recreation and open space within the city limits provided by the City – i.e. recreation and open space owned by RPD, the Department of Public Works (DPW), the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency within San Francisco. The more than 200 parks range in size from less than one acre to over 1,000 acres (Golden Gate Park), and support all kinds of recreational uses, from organized team sports and athletics, to gardening, to sunbathing and picnicking. Recreation and open space includes passive lawn space and forested areas for

"general enjoyment of outdoors" [6], courses and courts, playgrounds, and bike, pedestrian, and equestrian paths. By providing and maintaining recreation and open space, RPD aims to increase recreation opportunities, contribute to the city's environmental health, and encourage the health and well-being of San Francisco's residents and visitors.

Childcare

Childcare, in this study, refers to childcare licensed by the City. Licensed childcare facilities are classified as either licensed family childcare home (FCCH) facilities or center-based facilities, both of which can provide infant, toddler, and preschool care. The Office of Early Care and Education (OECE) keeps records of all existing licensed facilities and the total number of spaces available in each category. As well as licensing facilities, the City currently directs public funds for facilities and operations, and contributes municipal funds and impact fees to support childcare subsidies. While the City does not own or operate childcare facilities, the San Francisco Childcare Planning and Advisory Council (CPAC) works to ensure that a sufficient number of facilities are provided to meet demand. The San Francisco CPAC has identified childcare provision for infants and toddlers (ages 0-2) and preschoolers (ages 3-5) as important goals.

Streetscape and pedestrian infrastructure

Streetscape and pedestrian infrastructure encompasses a wide range of pedestrian right-of-way facilities, from simple paved sidewalks to "complete streets"[7] with sidewalks, street trees, lighting, benches, bulb-outs, signalized crosswalks, and traffic calming measures. According to the City's guiding streetscape and pedestrian infrastructure policy document (San Francisco's Better Streets Plan), the City aims to provide all types of streetscape and pedestrian infrastructure, from the basic to the most furnished, depending on the street type, the site conditions, traffic and built environment constraints, and so on. Although the streetscape infrastructure is not uniform across San Francisco, the Better Streets Plan (BSP) intends for most sidewalks to include, in addition to pavement, as least some streetscape elements such as lighting, bulb-outs, or street trees. Streetscape and pedestrian infrastructure, as a determinant of walking within the city, plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives.

Bicycle Infrastructure

Bicycle infrastructure refers primarily to the city's bicycle network. The network consists of a range of bicycle route levels (LTS 1 – LTS 4) that denote rider comfort along a route. These bikeway types reflect varying levels of separation from vehicle traffic and street conditions. Because of the nature of use and location of bike facilities, the San Francisco Municipal Transportation Agency (SFMTA) works closely with the RPD as well as the Department of Public Works (DPW) on the planning and maintenance of bicycle infrastructure. Bicycle infrastructure is often planned in conjunction with SFMTA's other transportation infrastructure. Bicycle infrastructure, as a determinant of biking within the city, plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives.

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[6] United States. San Francisco Recreation and Park Department. "Parks Acquisition Policy." August 2011. Print.

[7] Streets which "are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders." Metropolitan Transportation Commission, "MTC One Bay Area Grant: Complete Streets Policy Development Workshop." 16 October 2012. Section 2.4.13 of San Francisco's Public Works Code outlines San Francisco's complete streets policy, including the construction of transit, bicycle, stormwater, and pedestrian improvements. Pedestrian environment improvements include sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements listed as defined in the Better Streets Plan.

Transit Infrastructure

Transit infrastructure refers to San Francisco's network of public buses, light rail, streetcars, and cable cars run by the San Francisco Municipal Transportation Agency (SFMTA). The system provides constant service year round and works to balance system access with efficiency. Transit infrastructure plays an important role in the City's transportation goals, health and safety promotion, and environmental objectives.

APPROACH / REPORT ORGANIZATION

The work summarized in this report is organized into chapters (one per infrastructure category), with a preceding chapter (Chapter 3) summarizing the process AECOM undertook to establish an LOS, and a proceeding chapter (Chapter 12) briefly discussing project prioritization and financing.

Each infrastructure chapter is organized as follows:

- Each chapter opens with a discussion of background information about the infrastructure category and typical measures for infrastructure provision. A review of the provision of the infrastructure category within San Francisco is included, with reference to provision in case study cities.
- Metrics for that infrastructure within San Francisco are proposed. San Francisco's current provision is quantified, as per the proposed metric. An aspirational goal and a short-term target are identified, as per the proposed metric.
- San Francisco's future (2030[8]) infrastructure shortfall is assessed, assuming the current level of infrastructure is maintained while population and employment increases.

[8] In most cases the timeframe of analysis is from the current year (2013) until 2030. Two exceptions are bicycle infrastructure and childcare, for which the timeframe of analysis extends until 2020. This selection of a shorter timeframe for these two infrastructure categories is discussed in more detail in the relevant infrastructure chapter.

3. EXISTING AND PROPOSED LEVELS OF SERVICE

The following section summarizes the process AECOM undertook to establish LOS, including policy review, agency stakeholder interviews, and case study research. Initial findings are summarized.

LOS METRICS DEVELOPMENT AND EVALUATION

The process of measuring LOS provision for each infrastructure category, developing aspirational goals and realistic targets, and preparing an infrastructure gap analysis has been the same for each infrastructure type. A brief description of the process and key inputs in each step of the process are described below. Infrastructure-specific approaches and results are included in more detail in the proceeding infrastructure-specific chapters.

Again, it is important to note that the metrics and targets developed as part of this process are consistent with current City plans and are intended to be applied as citywide guidelines. The City may choose to aspire to higher goals or lower targets to account for unique neighborhood characteristics and/or available resources for investing in and maintaining new infrastructure.

LOS Metric Development

In order to develop appropriate LOS metrics for San Francisco's infrastructure facilities, AECOM relied on three key inputs:

1. Existing citywide and neighborhood policy documents;
2. Interviews and consultation with San Francisco agency stakeholders; and
3. Best practice reviews of eight cities across North America.

San Francisco Policy Review

For many of the infrastructure categories, a substantial amount of work has been done by various agencies to define LOS metrics and targets for San Francisco's infrastructure. To build on existing work, citywide and neighborhood-specific planning and policy documents were reviewed and incorporated into this report's analysis. Specific findings from citywide policy documents are included in greater detail in individual infrastructure chapters. A full list of the policies reviewed is included in the Appendix.

At the neighborhood level, few plans address concrete LOS targets, but most provide qualitative or design guidance on infrastructure improvements. In addition to design input, many neighborhood plans and nexus studies, such as the *Market & Octavia Community Improvements Program*, the *West SOMA Nexus Study*, and

the *Transbay Nexus Study* provide project prioritization based on either internal assessment of need, the San Francisco General Plan, or other infrastructure-specific plans such as San Francisco's *Short Range Transit Plan* and the *Childcare Needs Assessment*. Direction on recreation and open space LOS and targets are most common, with less neighborhood-specific direction provided on bicycle infrastructure or streetscape and pedestrian infrastructure. Although it is possible for neighborhood plans or nexus studies to define their own LOS targets, in most instances plans and nexus analyses take direction from various policy decisions made at the citywide level.

Agency Stakeholder Interviews

Interviews with City agency stakeholders were a critical part of the LOS metric and target development. Agency representatives were selected by the project client, and additional stakeholders were contacted as needed. The project team met with agency representatives for all five infrastructure categories evaluated in addition to Planning Department and Capital Planning Program representatives.

A full list of the agencies and stakeholders consulted is included in the Appendix.

Best Practices – Case Study Review

Eight cities across North America were reviewed to evaluate how other comparable cities are measuring LOS, applying LOS metrics to their infrastructure provision, and using LOS standards to prioritize investment. The selected cities are comparable to San Francisco in that they are either: (1) built-out cities that rely on urban infill for growth (or have strong urban growth boundaries)[9], or (2) city-county municipalities. In addition, two cities from California were reviewed to understand how they address the state-specific political and economic challenges. The case study cities reviewed are:

1. Boston, Massachusetts (built-out city)
2. Miami, Florida (city-county)
3. Minneapolis, Minnesota (city-county)
4. Philadelphia, Pennsylvania (built-out city, city-county)
5. Portland, Oregon (built-out city)
6. San Diego, California (California)
7. San Jose, California (California)
8. Vancouver, Canada (built-out city)

Through policy review and interviews with city officials, it is clear that, while many cities quantify infrastructure provision for various infrastructure categories, the practice of creating or applying developed LOS metrics is a relatively uncommon one.

Key findings of the case study review include:

LOS metrics are uncommon practice - While many cities quantify infrastructure provision for various facilities, the practice of creating or applying developed LOS metrics was uncommon in the cities surveyed.

[9] Note that the analysis specifically considered built-out cities because the provision of additional infrastructure is very different than in cities still expanding their boundaries. Expanding cities can set specific master planning guidelines and dictate levels of service on new development; and, because these projects are establishing new urban areas, there is a much simpler nexus between the infrastructure requirement and the development.

Additionally, while some facilities, such as recreation and open space have well-accepted public metrics (e.g. acres of park per 1,000 residents), others, such as childcare and streetscape and pedestrian infrastructure are rarely expressed in quantified levels of service.[10] Many of the case study cities are large, built-out cities that do not have large master plan areas where citywide guidance is required for infrastructure provision. Some Californian cities set park and right-of-way standards for large new developments, especially where a comprehensive development fee program is in place, but this practice is less prevalent among cities where the predominant form of development is infill.

In Portland's *2012 Citywide Assets Report*, the City identified establishing LOS as one of its priorities. Several other interviewed cities expressed a sincere interest in learning more about San Francisco's LOS development. Because LOS metrics and targets are not necessarily a common practice for all infrastructure categories, when metrics are provided, their non-standardized nature tends to make cross-city comparison difficult. LOS provision for each case study city is summarized in the Appendix in Table 30 and notable City goals are included in the infrastructure sections.

LOS targets tend to be qualitative – More often than not, infrastructure goals provided in the case study cities' planning documents tend to be either qualitative (e.g. improve "walkability"), or very specific (e.g. build an additional 10 miles of bicycle network on 12th Street). These goals are rarely clearly tied to demand. Identified LOS targets for each case study city are summarized in the Appendix in Table 31.

LOS targets tend to be aspirational – When quantitative LOS targets are provided, they tend to be aspirational rather than financially realistic. Many cities indicated that they fall short of the goals set forth in planning and policy documents, and that the goals were intended primarily as a guide rather than as a mandate. Table 3 summarizes some of the LOS metrics that are used in the case studies or in academic policy documents. These metrics were reviewed with agency stakeholders to determine whether any of them would be appropriate for San Francisco. It was noted that aspirational targets can be problematic if too ambitious. An oversupply of infrastructure can overburden limited operations and maintenance capacity. For example, a highly ambitious recreation and open space standard, and subsequent provision, can lead to unmaintained park lands and deteriorating public assets. Street tree provision is another example of where the ongoing care is as important as the initial planting and establishment of the street trees.[11]

[10] Note that there are a number of smaller California cities (such as Berkeley, Santa Monica, and Palo Alto) that consider childcare provision in their needs assessment of community facilities, and require developers to accommodate their fair share of future childcare needs.

[11] AECOM, "Financing San Francisco's Urban Forest – The Benefits and Costs of a Comprehensive Street Tree Program." October 2012. Print.

Table 3. Common Findings and Infrastructure LOS Metrics

Infrastructure Type	Finding	Metrics Considered
Recreation and Open Space	In addition to the longstanding metric of acres per 1,000 residents, many cities are also evaluating access and proximity measures.	• Percent of total land area • Distance to nearest park per resident • Acres per 1,000 residents • Acres per household • Municipal spending per capita • Tree canopy coverage
Childcare Facilities	Likely because of the primarily private provision, childcare facilities are rarely addressed as a city infrastructure requirement.[12]	• Childcare spaces per resident • Square foot of childcare facilities per child • Percent of demand accommodation
Streetscape and Pedestrian Infrastructure	Most cities tend to have qualitative goals associated with streetscape and pedestrian infrastructure – addressing quality and aesthetics rather than quantity. Goals to increase pedestrian mode share[13] are common, without necessarily concrete action plans. Right-of-way standards for new greenfield development are common but often developed at a Master Plan or Specific Plan level.	• Percent of streets with sidewalks • Linear feet of sidewalk per resident • Pedestrian Environmental Quality Index (PEQI)[14] • Street tree provision or canopy coverage • Customized metrics incorporating lighting, sidewalk width, separation from traffic, adjacent road speed, etc.
Bicycle Infrastructure	Increasing bicycle mode share was a common goal (Boston, Philadelphia, Portland, and Vancouver). Almost all cities have developed bicycle master plans with target bicycle networks identified. Miami and Philadelphia both had “bike friendly” status goals tied to national organization rankings.	• Percent of streets with bike lanes • Linear feet of bike lane per resident (or per service population[15]) • Mode share • Customized metrics incorporating width, encounter frequency, adjacent road speed, etc.
Transit Infrastructure	Transit LOS is typically much more difficult to evaluate given its complexity. Many cities have transit mode share goals (Portland, San Jose, and Vancouver).	• Transit score • Mode share • Customized metrics incorporating headways, trip times, reliability, schedule range, seat availability, etc.

Source: AECOM, 2013.

Where possible, LOS provision for each case study city, as well as San Francisco, is summarized in the Appendix in Table 30.

Case study findings related to infrastructure prioritization and financing are included in Chapter 11.

[12] Berkeley, Santa Monica, Palo Alto, and Concord are all examples in California of cities that do address childcare provision.
[13] Mode share measures the percentage of all transportation trips that use a given “mode.” Walking, bicycle, public transit, and private vehicles are the most common modes of travel.
[14] “Pedestrian Environmental Quality Index .” *Program on Health, Equity and Sustainability.* San Francisco Department of Public Health. Web. 31 June 2013. http://www.sfphes.org/elements/24-elements/tools/106-pedestrian-environmental-quality-index
[15] Service population is a unit of measure that encompasses all local infrastructure users, including residents and employees. Residents are assigned one point, while employees are typically assigned 0.5 points to reflect their lower level of usage. For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. Refer to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

CURRENT LOS PROVISION EVALUATION

Using the identified metrics, the infrastructure provision for all categories, with the exception of transit infrastructure and childcare,[16] were mapped using GIS.[17] Mapping the infrastructure provision allows for both the evaluation of a citywide LOS, and, in some cases, an understanding of how infrastructure provision is distributed across the city's 37 neighborhoods. These citywide and neighborhood provision maps can help inform how capital funds may be prioritized based on current distribution.

The developed LOS metrics aim to account for variations in service density, demand, and other factors. However, it is not always possible to account for all factors that influence geographic demand and supply variation of an infrastructure type.

LOS and Infrastructure Standard Development

Two tiers of standards are included as part of this study: (1) long-term aspirational goals and (2) short-term targets.

Both the long-term aspirational goals and short-term targets were identified based on existing policies and department direction, or as a result of reviewing the existing LOS provision. The bifurcation is meant to balance the City's ideal infrastructure aspirations with what it can reasonably expect to provide, given capital and operations budgets and other external limitations. The long-term aspirational goals represent an ideal level of service for each infrastructure category absent any constraints. The short-term targets are intended to indicate what the City will aim to provide for its residents by 2030, or in the case of childcare and bicycle infrastructure, in a shorter time frame (2020). The short-term targets are intended to ground expectations and help ensure equitable distribution of infrastructure; however, the aspirational goals established through policy work and community-based planning will continue to influence the City's long-term infrastructure planning.

As with the LOS metrics, some departments have already invested a significant amount of effort in developing detailed needs assessments for San Francisco and for specific neighborhoods. It is important to note that in no way does this work, particularly the gap assessment, intend to override the analysis that has already been done by various agencies.

Infrastructure Shortfall and Gap Analysis

LOS targets are overlaid on the city's current LOS provision to identify variations in shortfall and surplus throughout the city. The LOS targets are also overlaid on the projected future (2030 or 2020) population to determine the projected shortfall, if no infrastructure investment was made.

Many of the gap analyses are presented at the neighborhood level, and are meant to serve as a high-level overview of the distribution of services throughout the city. Given the nature of many of the infrastructure facilities, it is often not possible or not appropriate to provide an equal LOS in each of the neighborhoods. For example, recreation and open space varies throughout the city based on urban form: in the downtown, open space requirements are nearly impractical to apply where there are few, if any, land acquisition opportunities that could support the development of a neighborhood park. As well, some areas of the city require higher levels of service than others. For this reason, the LOS provision targets apply to the entire city, not to individual

[16] The LOS metrics identified for transit are only available as citywide indicators and are not geographically located.
[17] For a complete list of data sources, see Table 29. The LOS metrics identified for childcare are based on citywide demand, and, given data limitations, cannot be geographically disaggregated.

neighborhoods. It is worth noting as well that neighborhood-level analysis by definition uses neighborhood boundaries. In some cases, neighborhood provision may be distorted where infrastructure falls across a neighborhood line, but clearly also serves adjacent neighborhoods. This idiosyncrasy is a function of neighborhood-level analysis and is a reminder that the analysis is an informational tool.

The results of the LOS target evaluation for all of the infrastructure metrics are summarized in Table 4.

Table 4. Summary of LOS Metrics for Five Infrastructure Categories

Facility Type	LOS Metric	Current Citywide Average	Long-term Aspiration	Short-term Target	Projected Citywide Shortfall [1]
	Recreation and Open Space	**LOS**	**LOS**	**LOS**	**2030**
1	Acres of City-Owned Open Space / 1,000 Service Population Units (SPU)	4.0	4.0	4.0	566 acres
1.1	*Acres of Open Space / 1,000 SPU*		*3.5*	*3.5*	*55 acres*
1.2	*Acres of Improved Open Space / 1,000 SPU*		*0.5*	*0.5*	*511 acres*
2	Acres / 1,000 Adjacent Residents	0.7	0.5	0.5	N/A
	Childcare	**LOS**	**LOS**	**LOS**	**2020**
1	% of Infants and Toddlers (0-2) Childcare Demand Served by Available Licensed Slots	37%	100%	37%	2,529 spaces
2	% of Preschool Age Children (3-5) Childcare Demand Served by Available Licensed Slots	99.6%	100%	99.6%	2,256 spaces
	Streetscape and Pedestrian Infrastructure	**LOS**	**LOS**	**LOS**	**2030**
1	Square feet of improved sidewalk space per service population unit	103 square feet of sidewalk / SPU	88 square feet of *improved* sidewalk / SPU	88 square feet of *improved* sidewalk / SPU	N/A
	Bicycle Infrastructure	**Infrastructure**	**Infrastructure**	**Infrastructure**	**2020**
1	Number of Premium (LTS 1, 2) Network Miles	51 miles	251 miles, 100%	61 miles	10 miles
2	Number of Upgraded Intersections	3 intersections	203 intersections	13 intersections	10 intersections
3	Number of Bicycle Parking Spaces	8,800 spaces	58,000 spaces	12,800 spaces	4,000 spaces
4	Bicycle Share Program (Bikes + Accompanying Share Station)	0	300 stations 3,000 bicycles	50 stations 500 bicycles	50 stations 500 bicycles
	Transit Infrastructure	**LOS**	**LOS**	**LOS**	**2030**
1	Transit Crowding (% of Boardings Relative to Capacity)	N/A	N/A	85%	N/A
2	Transit Travel Time (Average Minutes per Trip)	33.72	N/A	33.60	N/A

Source: AECOM, 2013

1. Projected citywide shortfall is calculated by applying the short-term target LOS to the 2030 service population (or 2020 service population, in the case of childcare and bicycle infrastructure).

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4. RECREATION AND OPEN SPACE

Recreation and open space infrastructure is one of the infrastructure types that has received a significant amount of thought, public outreach, and organization from the City. This section will outline conventions as well as existing San Francisco policy metrics for measuring open space provision, with case study comparisons where applicable. This section will then propose metrics and undertake an assessment of existing conditions based on those metrics. Table 5 below notes the City policies referenced in this section; full texts of these policies are appended for information. Note that the terms parks, parkland, open space, and recreation space are used synonymously in this section to refer to recreation and open space. For information, an overview of San Francisco open space is mapped, by ownership (Figure 1).

Table 5. Recreation and Open Space Guiding and Reference Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
Recreation and Open Space Element (ROSE)	Planning Department	June 2011	Draft report	• Identification of “areas of need” based on socioeconomic measures and access to park land • Information on existing and proposed open space
Acquisition Policy	RPD	August 2011	Adopted	• Definition of “passive” and “active” open space • “High-needs area” metric definition

Source: AECOM, 2013.

BACKGROUND

Recreation and open space has historically been measured as a ratio of acreage to residents. In 1981, the National Park and Recreation Association (NPRA) defined what has since become a ubiquitous standard recommendation of 10 acres of park per 1,000 people.[18] In recent years, this general rule has been modified by planners and municipal governments to reflect more reasonable ratios for densely-populated, built-out cities.

[18] Fogg, George E. National Recreation and Park Association, Park Planning Guidelines. 1981.

Published standards for cities have ranged from 4 to 10 acres per 1,000 residents.[19] San Francisco currently provides 4.6 acres of *city-owned* recreation space[20] per 1,000 residents, and 8.2 acres per 1,000 residents of *total* recreation space (including county, metro, state, and federal acres within the city limits, such as the Presidio). More tellingly, San Francisco provides 4.0 acres of *city-owned* recreation space per 1,000 *service population units* and 7.2 *total* acres per 1,000 *service population units*.[21] This measure of provision per service population unit more accurately describes San Francisco's LOS, as it includes employees, who also use park resources.

While all case study cities provide context, New York and Vancouver in particular are San Francisco's cohort for open space: all three cities are geographically constrained within a small land area and support high population densities. San Francisco, at 4.6 city-owned acres per 1,000 residents, falls between New York at 3.5[22] and Vancouver at 7.0.[23] [24] According to a Trust for Public Land survey, New York provides 4.6 acres of total open space per 1,000 residents within the city limits, compared with San Francisco's 8.2. [25]

Another perspective on open space addresses access. Many cities (Miami, Philadelphia, Portland, and Vancouver) aim to provide open space within walking distance of residents. A stock measure of accessibility is a ten-minute walk, which is roughly equivalent to a half mile distance. The Planning Department undertook an accessibility study of San Francisco, by imagining walksheds of half mile radii around every park, and determining any excluded city area. As reported in the ROSE, this analysis shows that almost everywhere within San Francisco is within a half mile from open space. From an accessibility standpoint, San Francisco scores well, and this metric does not represent much opportunity for improvement. This metric of residents within a half mile radius of open space is a common metric among recreation authorities; but, since San Francisco essentially achieves the standard, the accessibility metric is excluded from this discussion.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, the two most frequent metrics consider issues of access (distance from parks) and quantity (amount of parks). Both of these metrics are reflected in RPD's current provision policies and goals, which are compared to the metrics for five case study cities (Table 6, Table 7). Note that some cities, such as San Diego, only have goals for "neighborhood and community parks," while others have quantified goals that include other types of regional and open space parks, which distorts the comparisons. As Table 6 and Table 7 show, most cities are performing well relative to their goals and their current provision.

[19] Moeller, John. American Society of Planning Officials, Standards for Outdoor Recreational Areas. Information Report No. 194. https://www.planning.org/pas/at60/report194.htm?print=true

[20] City-owned recreation space includes land owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency

[21] For recreation and open space, service population is calculated by assigning residents one point, and employees 0.19 points. For a more complete definition of service population see the Service Population Definition in the Appendix (p.83). Refer also to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

[22] An estimated 29,000 acres of New York City's 38,000 acres of park land are city-owned (The Trust for Public Land, 2011 City Park Facts Report, http://www.tpl.org/publications/books-reports/ccpe-publications/city-park-facts-report-2011.html) and serve New York's roughly 8.3 million residents (U.S. Census Bureau, 2011).

[23] See Table 30 in the Appendix. San Jose and San Diego's numbers may include regional parks within the city boundaries, resulting in inflated metrics compared to San Francisco and Vancouver.

[24] These New York and Vancouver metrics do not include county, state, and federal acres within the city limits.

[25] "2011 City Park Facts Report." The Trust for Public Land. The Trust for Public Land, 1 Nov. 2011. Web. 22 Jul. 2013. http://www.tpl.org/publications/books-reports/ccpe-publications/city-park-facts-report-2011.html

Table 6. Current LOS Provision Comparison - Recreation and Open Space[1 2]

San Francisco	Philadelphia	Portland	San Diego	San Jose	Vancouver
• Over 200 city-owned parks • 6,600 acres of open space within city limits • 3,600 acres of active space	• 60% of residents live within 10 minutes / 0.5 mi of open space	• 70% of residents within 3 miles of full-service community center • 75% of residents within 0.5 mi of a park	• 2.8 acres per 1,000 residents for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level	• N/A	• 92% of residents live within 5 minutes of green space
• 6.6 acres / 1,000 residents (per Trust for Public Land Data) • 8.1 acres per 1,000 residents (per RPD data)	• 7.2 acres / 1,000 residents	• 24.6 acres / 1,000 residents (Intermediate - Low density city)	• 35.9 acres / 1,000 residents (Intermediate - Low density city)	• 16.5 acres / 1,000 residents	• 6.97 acres / 1,000 residents (without regional parks)

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

2. Data on acres of open space per 1,000 residents is from the Trust for Public Land, "Acres of Parkland per 1,000 Residents, by City." http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4

Table 7. City LOS Aspirational Goals Comparison - Recreation and Open Space

San Francisco[1]	Philadelphia	Portland	San Diego	San Jose	Vancouver
• 10 minute / 0.5 mi access to open space for all residents • 0.5 acres per 1,000 residents within a 0.5 mi radius	• 75% of residents live within 10 minutes / 0.5mi of open space by 2025 • Add 500 acres by 2015 • 10 acres per 1,000 residents	• 100% of residents within 3 miles of a community center • 100% of residents within 0.5 mi of a park • By 2020, 1,870 more acres of park	• 2.8 acres per 1,000 residents of neighborhood and community parks • 35 acres per 1,000 residents for all parks, including regional	• 31 acres per 1,000 residents • 3.5 acres of community serving parks per 1,000 residents	• 100% of residents within 5-min walk to green space, by 2020 • Plant 150,000 new trees by 2020

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

RECREATION AND OPEN SPACE LOS METRICS

Two metrics were identified to measure recreation and open space infrastructure LOS. The two metrics are intended to measure total type of provision, and distribution and intensity of use. The two LOS metrics are:

- Acres of City-owned open space per 1,000 service population units
- Acres per 1,000 adjacent residents

Acres of Active Open Apace per 1,000 Service Population Units

Table 8. Acres of Active Open Space per 1,000 Service Population Units – LOS Provision, Goal, and Target

LOS Measure	Value	Source
Current Citywide Average	• 4.0 acres of City-owned open space (within City limits) per 1,000 service population units	• See Table Note
Long-term Aspirational Goal	• 4.0 acres of City-owned open space (within City limits) per 1,000 service population units, achieved either through newly constructed open space or improvement to existing open space o 3.5 acres of open space per 1,000 service population units o 0.5 acres of improved open space per 1,000 service population units	• RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst
Short-term Target	• 4.0 acres of City-owned open space (within City limits) per 1,000 service population units, achieved either through newly constructed open space or improvement to existing open space o 3.5 acres of open space per 1,000 service population units o 0.5 acres of improved open space per 1,000 service population units	• RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst

Note: RPD staff members Dawn Kamalanathan, Planning Director, Stacey Bradley, Planner, and Taylor Emerson, Analyst, noted in a meeting on November 14, 2013, that RPD owned approximately 3,437.28 acres of open space within the City and that other City agencies – DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency – owned another approximately 324.4 acres. Given the 2013 recreation and open space service population of 934,726, the current citywide average acreage per 1,000 service population units is calculated to be 4.0. RPD staff members also noted that the City could feasibly commit to constructing 55 new acres of open space by 2030, which results in 3.5 acres of open space per 1,000 service population units (2030 service population of 1,081,926). The remaining 0.5 acres of open space per 1,000 population units will be achieved through capacity improvements to existing open space. Refer to the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), for a more detailed discussion of capacity improvements to recreation and open space and the LOS implications.

While acres of open space *per resident* represents the conventional measure, service population units are used for this metric to reflect that parks serve both the resident and employee population.[26] Open space acreage is confined to City-owned open space within city limits to reflect the open space upon which the City can effect change.

RPD staff has set the current citywide LOS of 4.0 acres of City-owned open space per 1,000 service population units as both the short-term LOS target for 2030 and the long-term aspirational goal (Figure 2, Figure 3). San Francisco's density and expensive land costs limit the creation of new park space. Based on conversations with RPD staff, RPD's focus is expected to be maintaining existing acreage, improving current acreage, prioritizing upgrades, improving areas of need, and constructing a limited amount of new acreage. Of the 4.0 acres of City-owned open space per 1,000 service population units, 3.5 acres per 1,000 service population units will be achieved in open space acreage and the remaining 0.5 acres per 1,000 service population units will be achieved by improving the capacity of existing open space. The companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), includes a more detailed discussion of recreation and open space capacity improvements and the LOS implications.

[26] For a more complete definition of service population see the Service Population Definition in the Appendix (p.83).

Infrastructure Shortfall and Gap Analysis

No shortfall exists at the current time, given that the metric target is based on maintaining the current provision into the future, although some neighborhoods, however, fall below the short-term target. As the population increases, by 2030, if the amount of open space remains the same, the LOS metric will fall from 4.0 to 3.5, and the acquisition of approximately 566 additional acres of park space will be required to address growing demand (Figure 3).[27] These additional acres could be created by acquiring land and constructing new open space or by expanding the capacity of existing open space.[28] Given San Francisco's density and land costs, 566 acres of new park space is an unlikely ambition by an order of magnitude. Instead the majority of 'new' open space is likely to be an increase in the capacity of existing parks, rather than the acquisition of more land for new park construction. RPD staff estimates that they can feasibly commit to constructing 55 new acres of open space by 2030, and increase the capacity through open space improvements of the remaining 511 acres.[29]

[27] This calculation is based on demographic projections from the San Francisco Planning Department, received by AECOM on May 14, 2013 from Aksel Olsen, Planner/Geographer in the Citywide Information and Analysis Group, San Francisco Planning Department.
[28] Expanding the capacity of existing open space involves, for example, adding a second floor to a recreation center, adding lighting to a tennis court to extend its hours (so more people can use it), adding trails to a forested area, adding a play feature to a playground, or adding an athletic field to a lawn park.
[29] Refer to the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), for a more detailed discussion of recreation and open space capacity improvements and the LOS implications.

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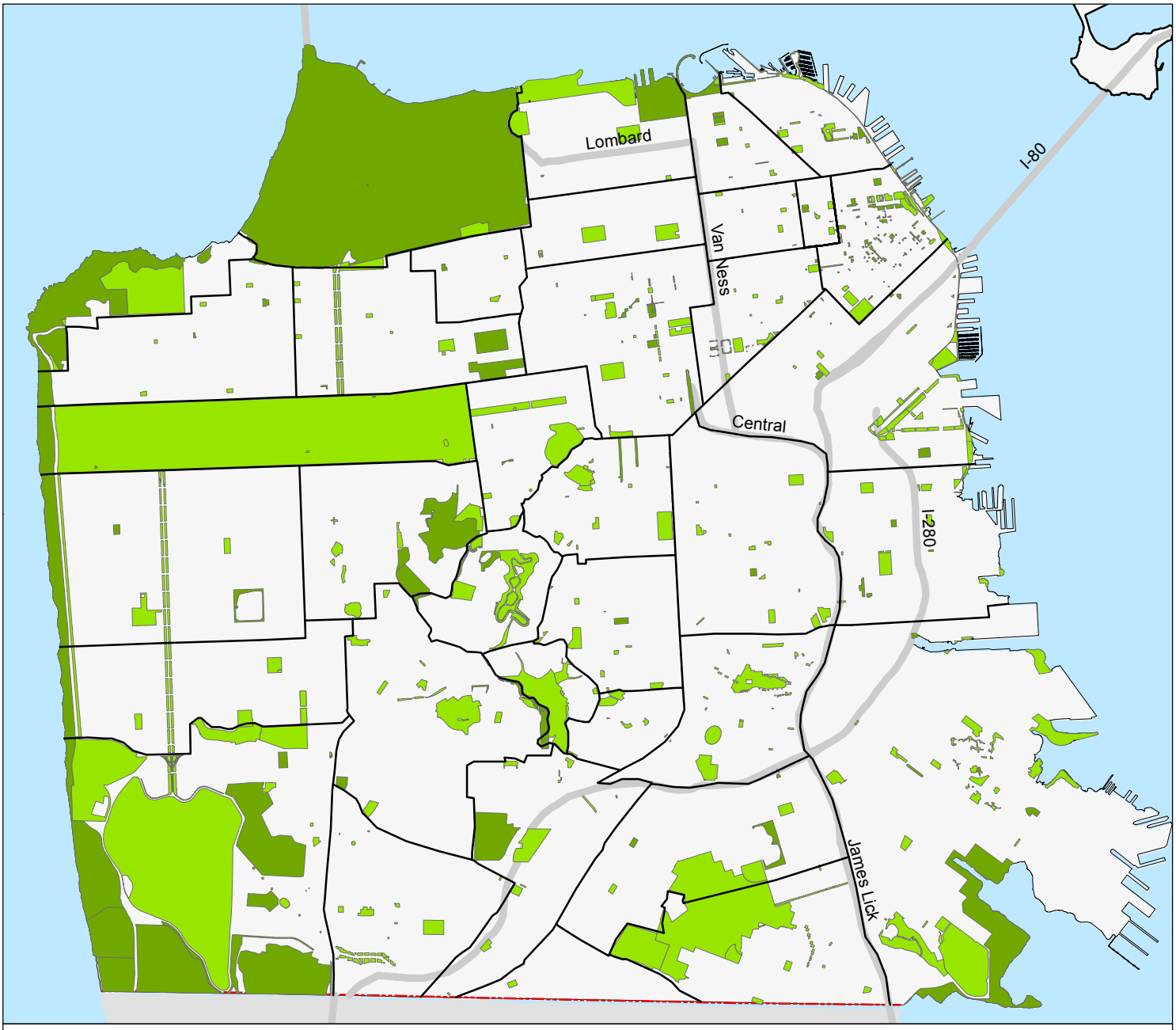

Citywide Park Provision (2013)	
Total City Open Space (existing acres)	6,737
City-Owned Open Space (existing acres)	3,762
Non-City-Owned Open Space (existing acres)	2,975
Total Acres / 1,000 Residents	8.2
Total Acres / 1,000 SPU*	7.2
Total City-Owned Acres / 1,000 Residents	4.6
Total City-Owned Acres / 1,000 SPU*	4.0

*Service Population Unit

LEGEND

- County Boundary
- Neighborhoods
- Highways

Open Space by Ownership

- Non-City-owned open space
- City-owned open space

NORTH

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

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Figure 1. Total Recreation and Open Space by Ownership (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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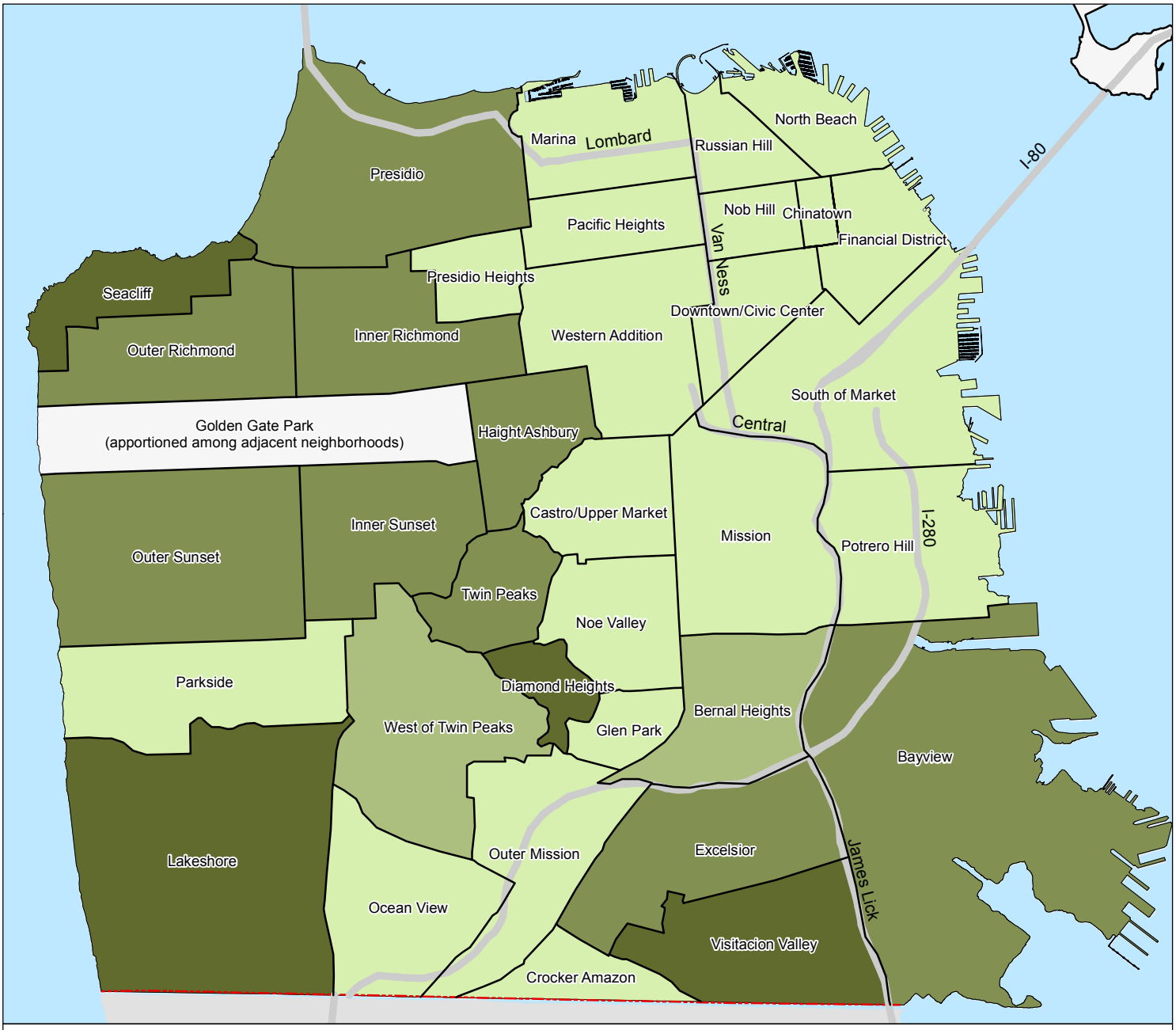

Citywide Park Provision (2013)	
Total City-Owned Open Space* (existing acres, 2013)	3,762
LOS Metric - Acres of City-Owned Open Space / 1,000 SPU**	
Existing Citywide Average (2013)	4.0
Short-term Target (2030)	4.0
Existing Citywide Shortfall (Acres)	0

*City-owned open space includes open space owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco

** Service Population Units

LEGEND

- County Boundary
- Neighborhoods
- Highways

NORTH

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

City-Owned Open Space Per 1,000 Service Population Unit

- Under 2.0
- 2.0 - 4.0 (Citywide average, 2013)
- 4.0 - 10.0
- Above 10.0

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Figure 2. Total City-Owned Recreation and Open Space per 1,000 Service Population Units (2013)

San Francisco Infrastructure Level of Service Analysis

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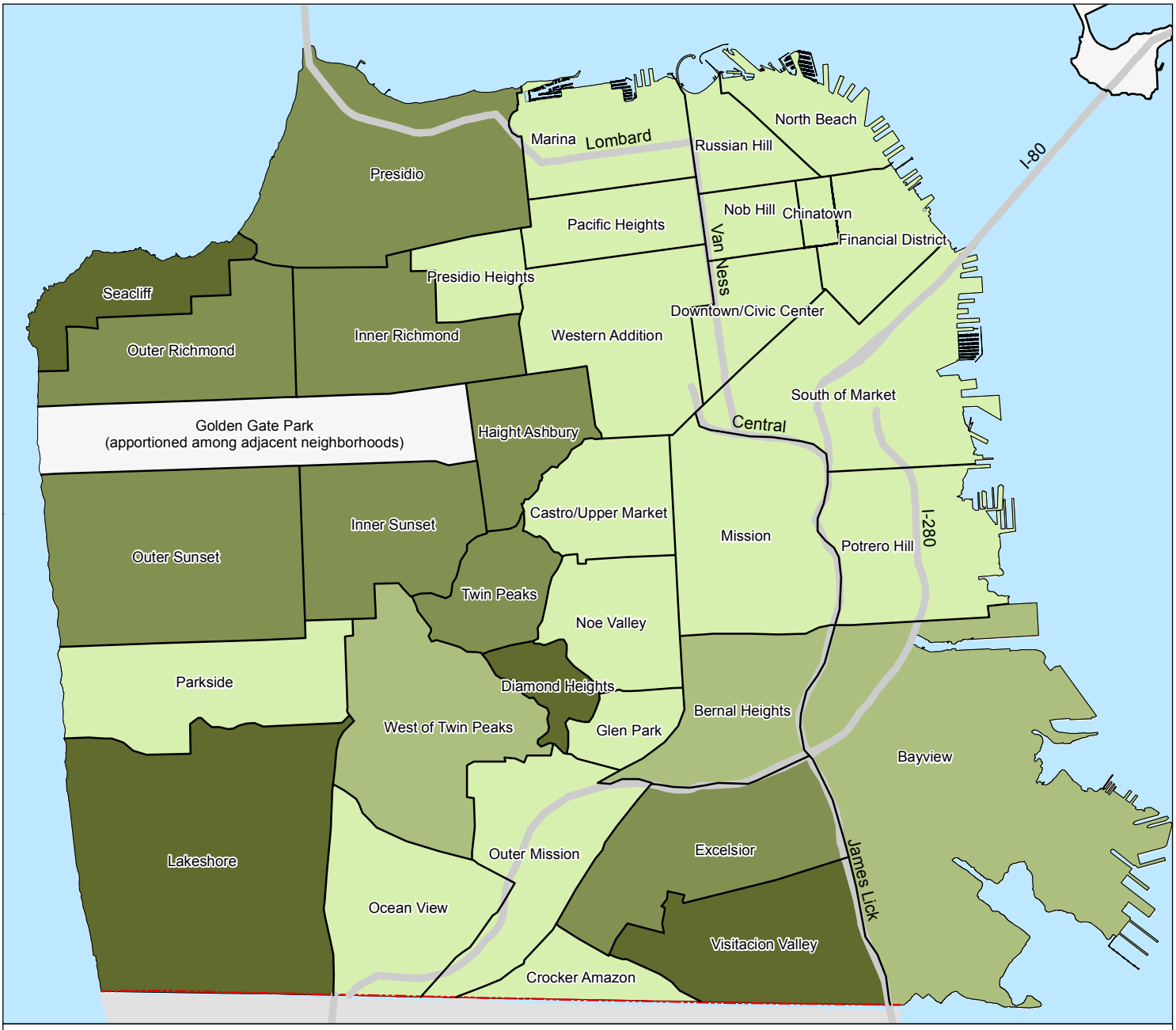

Citywide Park Provision (2030)	
Total City-Owned Open Space* (existing acres, 2013)	3,762
LOS Metric - Acres of City-Owned Open Space / 1,000 SPU**	
Projected Citywide Average (2030)***	3.5
Short-term Target (2030)	4.0
Projected Citywide Shortfall (Acres)	566

*City-owned open space includes open space owned by RPD, DPW, the Port, and the Redevelopment Agency/Successor Agency to the San Francisco Redevelopment Agency

**Service Population Units

***Projected Citywide Average (2030) assumes the addition of no open space acres - i.e. assumes existing acreage is maintained while population grew

LEGEND

- County Boundary
- Neighborhoods
- Highways

NORTH

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD

City-Owned Open Space Per 1,000 Service Population Unit

- Under 2.0
- 2.0 - 4.0 (Short-term target, 2030)
- 4.0 - 10.0
- Above 10.0

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Figure 3. Total City-Owned Recreation and Open Space per 1,000 Service Population Units (2030)

San Francisco Infrastructure Level of Service Analysis

February 2014

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Acres Per 1,000 Adjacent Residents

Table 9. Acres per 1,000 Adjacent Residents – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• Average of 2.7 acres of open space per 1,000 adjacent residents • Median of 0.7 acres of open space per 1,000 adjacent residents • 135 parks with less than 0.5 acres per 1,000 adjacent residents	• RPD and Planning Department data (see Table 29)
Long-term Aspirational Goal	• 0.5 acres of open space per 1,000 adjacent residents at all parks	• RPD's Acquisition Policy, High Needs Area definition, p 20.
Short-term Target	• 0.5 acres of open space per 1,000 adjacent residents at all parks	• RPD's Acquisition Policy, High Needs Area definition, p 20.

The acres per 1,000 adjacent residents metric is intended to measure whether residents are over- or under-served by their *proximate* parks. The metric is a partial proxy for park crowding, or, intensity of use. This metric enables the City to quantify varying park demand in a given neighborhood related to residential density.

While San Francisco has a high acreage per resident (8.6 acres per 1,000 residents), this citywide indicator does not account for the distribution of space relative to population distribution. This metric shows where small parks serve an inordinate amount of nearby residents.

This metric is a variation of a more typical LOS metric: distance from a park for all residents. A number of other cities including Miami, Philadelphia, Portland, and Vancouver use a proximity metric to evaluate adequate LOS provision in their policy documents. [30] Analysis presented in the ROSE highlights an RPD target of having all residents live within one half mile of a park, equivalent to a ten-minute walk. However, as demonstrated by the analysis, San Francisco is already close to achieving this target, making it a less useful goal.

Instead, guided by the 2011 Acquisition Policy, the proximity metric was modified to assess the *amount* of space within a reasonable distance of residents. The 2011 Acquisition Policy includes a discussion of "high needs areas," defined as places with a high population density relative to open space. Generally this is quantified as less than 0.5 acres per 1,000 people within a half mile radius. The LOS target, therefore, is 0.5 acres per 1,000 adjacent residents, with this threshold defining the difference between well-supplied parkland and overcrowded or under-supplied parkland.

The analysis for this metric was performed by attributing census block populations to their nearest park (neighborhood boundaries were ignored). Populations will typically be within a half-mile of their nearest park, given the distribution of parks in San Francisco.[31] Satisfying the distance requirement, this metric emphasizes the acreage component of the high needs area definition.

[30] Miami has a quarter mile access to open space target. Philadelphia aims to have 75 percent of residents living with a half mile of a park by 2025. Portland targets 100 percent of residents within a half mile by 2020. Vancouver is working towards having 100 percent of residents live within a quarter mile or 5 minutes of green space by 2020 – see Table 31**.**

[31] Analysis by the Planning Department, reported in the ROSE plan, shows that half-mile radius buffers around all parks in San Francisco encompasses almost the entirety of the City.

Infrastructure Shortfall and Gap Analysis

The LOS target results in 135 parks being deficient, with values below 0.5 acres per 1,000 adjacent residents.[32] Because block-level population projections are not available, it is not possible to anticipate 2030 shortfalls.

Based on this metric analysis, 41 percent of residents, or 330,000 people, are served by over-crowded parks. Not surprisingly, neighborhoods with higher land use intensity experience park overcrowding as measured by this metric. These areas were also identified in the City's ROSE as high needs areas.

PRACTICAL APPLICATION OF RECREATION AND OPEN SPACE METRIC

While both proposed metrics are important in measuring the quantity and distribution of open space, in its practical application, the acres of City-owned open space per 1,000 service population units best represents RPD's development and LOS intentions. As a result, this metric will inform the nexus between development and development impact fees.

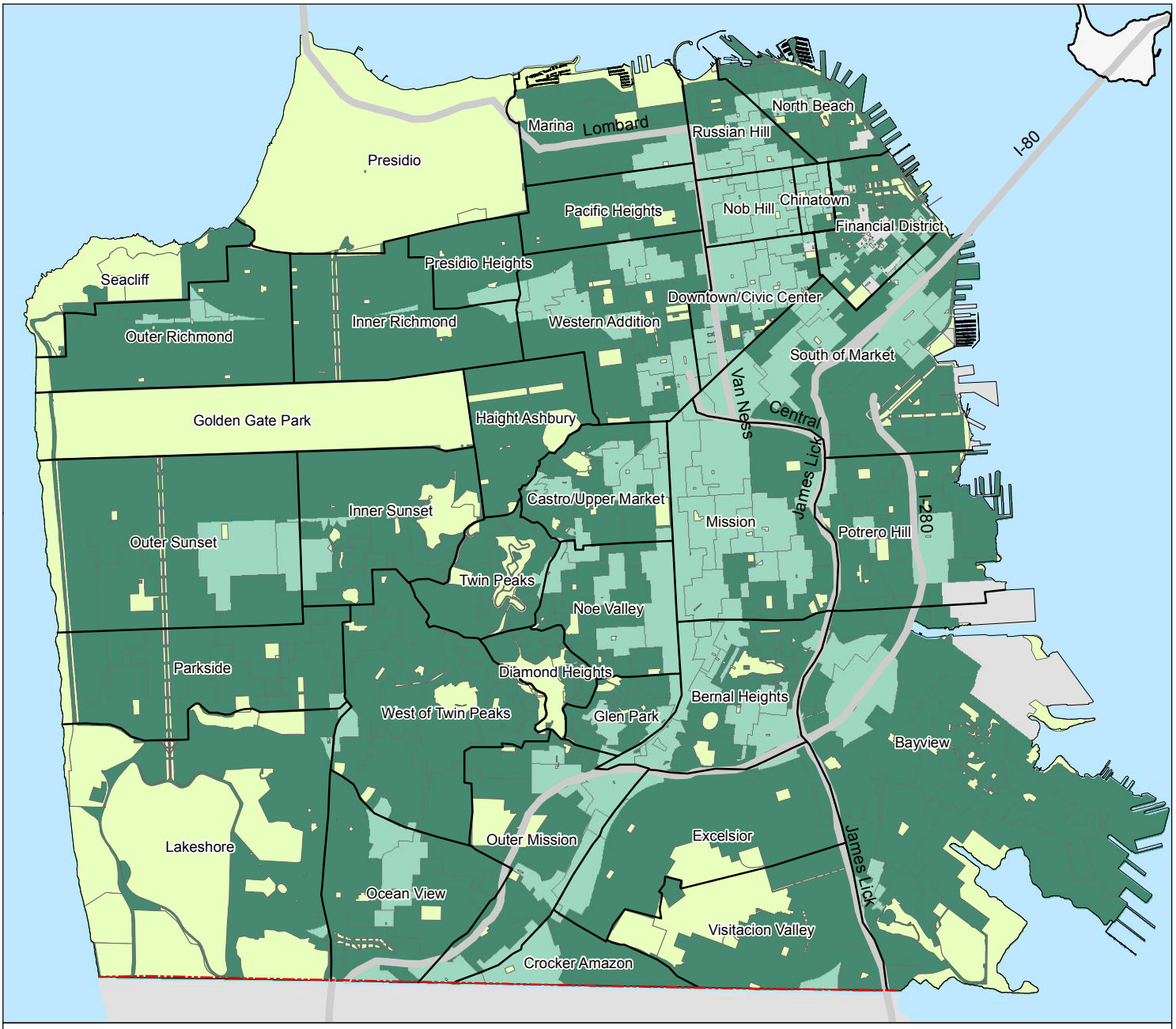
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

The following studies were identified in the LOS metric development process as potential next steps in the continued refinement of the City's recreation and open space provision evaluation:

- Cataloging usage of City-owned park elements (such as playgrounds or basketball courts) to develop an understanding of their capacity (children playing per hour or basketball players per hour).
- Cataloging usage of City-owned parks to determine the amount of people the average park serves, which parks are the most used or crowded, which parks are least used, and so on.

This additional data would allow the city to evaluate provision and distribution in greater detail.

[32] The LOS target results in a citywide average of 2.7 acres per 1,000 adjacent residents (Figure 4).This average seems to satisfy the target, but it is important to remember that large parks and areas with low populations will have high acreages per 1,000 adjacent residents, inflating the average. The median, by comparison, is 0.7 acres per 1,000 residents.



Citywide Park Use Intensity (2013)	
Total Number of Parks Analyzed*	360
LOS Metric - Total Acres / 1,000 Adjacent Residents	
Current Citywide Median (2013)**	0.7
Short-term Target (2030)***	0.5
Projected Citywide Shortfall (Acres)	100

* Parks with attributed blocks of zero population or with no attributable blocks excluded; Mission Bay parks conglomerated

** Excluded extreme outliers (populations below 100; acreages above 100), but the average is still inflated by low population blocks and high acreage parks. 135 parks deficient, although median is above LOS goal.

*** Per San Francisco RPD 2011 Acquisition Policy

NB: Half-mile radius drawn around five largest parks (Presidio, Golden Gate, Lake Merced, John McLaren, and SFSU) to include nearby census blocks although a smaller park may technically be closer.

LEGEND

- County Boundary
- Neighborhoods
- Highways
- Recreation/open space
- Blocks with zero population

Acres of Open Space per 1,000 Adjacent Residents

- At or above 0.5
- Below 0.5

NORTH

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: San Francisco RPD; 2010 Census

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Figure 4: Acres of Park per 1,000 Adjacent Residents by Block

San Francisco Infrastructure Level of Service Analysis

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5. CHILDCARE FACILITIES

While the City does not own or operate childcare facilities, the City does work – through the Human Services Agency (HSA) and the San Francisco Childcare Planning and Advisory Council (CPAC) – to ensure that a sufficient number of facilities are provided to meet demand. Without being directly responsible for facility provision, San Francisco, like a number of smaller California cities such as Berkeley, Santa Monica, and Palo Alto, recognizes childcare as an important community-serving necessity and considers childcare in their needs assessment of community facilities. The City's involvement includes helping acquire funds for operations and contributing municipal funds for the complex patchwork of childcare subsidies for children of low-income families, as well as issue and record licensing for childcare facilities. Additionally, CPAC is charged with counseling policy-makers, planners, and funders about the needs of childcare in San Francisco. In terms of capital investment, the City helps acquire funds for facility construction. Given the City's capital investment, childcare infrastructure merits discussion as a City infrastructure component. This section will discuss childcare in San Francisco, propose two metrics, and evaluate childcare relative to the metrics. The policies referenced in this section are noted in Table 10 and appended for information.

Table 10. Key Childcare Facility Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Child Care Needs Assessment	San Francisco Child Care Planning and Advisory Council (CPAC)	2007	Final report	• Childcare provision by geography • Demand by low-income households (under 70% SMI)
San Francisco Citywide Plan for Early Care and Education and Out of School Time		May 2012	Final report	• Summary of childcare provision and areas of need

Source: AECOM, 2013

BACKGROUND

In San Francisco, through HSA, CPAC and various city agencies, the importance of childcare, particularly for young children, is readily recognized. Childcare differs depending on the age of the children, and typically children are divided into three age brackets: infants / toddlers, preschoolers, and school-age children. The City

defines infants / toddlers as children aged 0 to 2, preschoolers as children aged 3 to 5, and school-age children as children aged 6 to 14.[33]

Childcare provision can be divided into categories as well: licensed childcare and unlicensed childcare. Unlicensed childcare can be more formal care, like programs through boys and girls clubs and RPD, or more informal care, like stay-at-home parents, nannies, and grandparents.[34] Unlicensed childcare is largely beyond the purview or control of the City.

Licensed childcare has two forms, namely childcare centers and family childcare homes (FCCH). Centers are institutions that provide childcare in a childcare facility – which is often within a commercial building. Typically, centers care for a large number of children, divide them into age groups, and staff each age group with appropriate childcare and early education professionals. FCCHs are private homes where the homeowner provides childcare. FCCH capacity is lower, with a maximum of 12 to 14 children. Typically, FCCHs care for a mixed-age group of children.

Because both centers and FCCHs require licensing from the City, and because the City only provides capital funding to licensed facilities, the discussion of City childcare will be confined to licensed childcare. Furthermore, since school-age care is largely provided within schools – that is, facilities built by the school district (a legally separate public entity) and facilities generally not expanded for childcare independent of school growth – the discussion of City childcare will focus only on infant / toddler care and preschooler care.

Infant / toddler care is relatively under-provided as a service. CPAC's 2012 report, the *San Francisco Citywide Plan for Early Care and Education and Out of School Time,* indicates that the greatest unmet childcare need is for infant and toddler care.[35] The cost of infant / toddler care is expensive due in part to the high staff-to-infant ratio requirements. Preschool care is more adequately supplied than infant / toddler care, in part due to Proposition H, a Charter Amendment passed in 2004 to fund preschool care.[36] The aim of Proposition H is to provide quality, accessible preschool care to all four-year-olds – the so-called *Preschool for All* (PFA) movement.[37]

Note that demand for childcare comes primarily from city residents, including those who work within the city and those who work outside of the city. A lesser portion of childcare demand is also generated by non-residents who work within San Francisco. A portion of San Francisco employees, who live in, and commute from, the greater Bay Area, bring their children into the city for childcare. Generally, childcare demand is calculated by estimating the pool of children requiring licensed childcare, based on labor force participation rates and an estimated proportion of parents who use formal licensed care. Detailed childcare demand calculations are included in the appendix (Childcare Demand Calculations). **All childcare demand values used in this section are based on the calculations included in the appendix.**

[33] The three category break-downs –infants (0-2), preschoolers (2-5) and school age children (6-13) – were used in the 2008 *Citywide Development Impact Fee Study Consolidated Report* prepared for the Controller's Office.
[34] Dobson, Graham. Message to the author. 14 May 2013. Email.
[35] United States. Office of Early Care and Education. San Francisco Child Care Planning and Advisory Council (CPAC). "San Francisco Citywide Plan for Early Care and Education and Out of School Time." CPAC, 2012. Print.
[36] San Francisco Public Schools. "Public Education Enrichment Fund (PEEF)." Web. 22 Jul. 2013. http://www.sfusd.edu/en/about-sfusd/initiatives-and-plans/voter-initiatives/public-education-enrichment-fund.html
[37] PFA is supported federally by Obama's PFA initiative in the 2014 budget. Several studies complement the universal preschool initiative, showing that preschooled children tend to score higher on tests and attain higher education levels.

CASE STUDY COMPARISON: PROVISION AND METRICS

Considering childcare as infrastructure is a relatively new policy direction (in comparison to streets and sewers, for example), it is less frequently addressed directly by city policies. In a survey of case study cities, only Vancouver indicated a City-led commitment to increasing the available childcare provision by a quantified number of slots (150 spaces[38]) (Table 12). A number of California cities, however, also consider the provision of childcare as an important community asset, including Berkeley, Santa Monica, and Palo Alto.[39]

Vancouver currently is able to serve 19 percent of its total child population, although this statistic does not account for childcare demand. San Francisco is able to serve 37 of its demand for licensed infant and toddler child care and 99.6 percent of its demand for licensed preschooler childcare (Table 11).

Table 11. Current LOS Provision Comparison – Childcare

San Francisco [1,2]	Vancouver
• 2,951 licensed childcare spaces for infants / toddlers (age 0-2) • 14,661 licensed childcare spaces for preschoolers (age 3-5) • Serves 37% of demand for licensed infant / toddler (age 0-2) spaces • Serves 99.6% of demand for licensed preschooler (age 3-5) spaces • Not provided by the City	• 53 Childcare facilities • 19% of all children have access to public care

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).
2. Refer to the appendix (Childcare Demand Calculations) for detailed childcare demand calculations.

Table 12. City LOS Goals Comparison - Childcare

San Francisco [1]	Vancouver
• No explicit policy goal or LOS metric	• 500 new spaces by 2014

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

CHILDCARE LOS METRICS

Two metrics were identified to measure childcare LOS provision:

[38] Canada. City of Vancouver. "2012-2014 Capital Plan: Investing in our City." City of Vancouver, n.d. Web. 22 July 2013. http://vancouver.ca/files/cov/capital-plan-2012-2014.pdf

[39] Although few cities have explicit, quantified goals for childcare provision, childcare is increasingly debated as an arena for public intervention. Non-parent care has become the norm in the US, and early childcare is, in essence, early childhood education. Quality childcare has been linked to developmental benefits, and societies at large benefit from the cognitive, linguistic, and behavioral competencies associated with high quality childcare. While a variety of studies link better early childcare with better school-preparedness, among other advantages, equitable distribution of childcare is a challenge because high-quality childcare is higher-cost and is, thus, often inaccessible to low-income families. While the economic and social justifications of public intervention in childcare remain an unresolved debate, the inclusion of childcare as an infrastructure item allows San Francisco to at least examine its provision, which incorporates some – although limited – public involvement. Reference: Vandell, Deborah Lowe and Wolfe, Barbara. "Child Care Quality: Does It Matter and Does It Need to Be Improved?" *Institute for Research on Poverty*, Special Report No. 78 (2000). Web. 19 Sept. 2013. http://www.irp.wisc.edu/publications/sr/pdfs/sr78.pdf

- Percent of infant / toddler (0-2 Years) childcare demand served by available slots
- Percent of preschooler (3-5 Years) childcare demand served by available slots

While most short-term LOS metrics target 2030, childcare short-term targets use 2020 as a target date instead. This is due to the changing age demographics projected by the California Department of Finance (P-3 projections). The population of children in the city is expected to continue to increase through 2020, after which it is expected to decline slightly. As such, 2020 is used as a target date so that near term childcare needs are met. The childcare metrics and demand projections may be revisited at reasonable intervals to ensure that the provision is still appropriate. Each of the metrics will be discussed in the following subsections.

Percent of Resident Infant and Toddler (0-2 Years) Childcare Demand Served by Available Slots

Table 13. Percent of Infant / Toddler Childcare Demand Served by Available Slots – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• With almost 3,000 slots, 37 percent of infant / toddler childcare demand can be accommodated in existing slots	• Michele Rutherford, Program Manager for San Francisco HAS [1] • AECOM's childcare demand estimates (refer to the appendix Childcare Demand Calculations)
Long-term Aspirational Goal	• Slots to accommodate 100 percent of infant / toddler childcare demand	• CPAC, OECE staff
Short-term Target	• Slots to accommodate 37 percent of infant / toddler childcare demand; the target is to maintain existing service levels	• CPAC, OECE staff

Note:

1. Michele Rutherford, Program Manager at HSA, noted 2,951 existing infant and toddler slots via email to Harriet Ragozin of KMA on 15 November 2013.

The City currently licenses almost 3,000 infant / toddler childcare spaces in San Francisco. The number of infants and toddlers needing licensed care in San Francisco is approximately 8,000. As a result, childcare slots are available for approximately 37 percent of the infant / toddler childcare demand.

As an aspirational LOS goal, the Office of Early Childcare and Education (OECE) would like to ensure affordable care for all resident infants and toddlers who require care. This ideal LOS is a practical impossibility, because OECE is not directly responsible for providing childcare spaces, because of financial and capacity constraints, and because exact demand for infant and toddler childcare is unknown. OECE can support childcare with capital funding of facilities, subsidies for slots, and operating regulations, but OECE does not directly build or operate facilities. Even if OECE did directly provide childcare spaces, the cost to provide care for all infants and toddlers would be prohibitive, especially given land costs in San Francisco and the commitment to keeping enrollment costs affordable.

A more realistic LOS target identified by the City (OECE staff) is to maintain the current provision level. The current number of spaces represents 37 percent of total infant and toddler childcare demand, and the City aims to maintain slots for 37 percent of infant and toddler demand into 2020.

Infrastructure Shortfall and Gap Analysis

No shortfall exists at the current time, given that the metric target suggests maintaining current provision into the future. By 2020, given population projections, there would be an additional new infant and toddler demand

for approximately 2,500 slots. Serving 37 percent of this demand, as per the level of service, would require approximately 940 additional slots to be provided.

Percent of Preschooler (3-5 Years) Childcare Demand Served by Available Slots

Table 14. Percent of Preschooler Childcare Demand Served by Available Slots – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• With almost 15,000 slots, 99.6 percent of preschooler childcare demand can be accommodated in existing slots	• Michele Rutherford, Program Manager for San Francisco HSA[1] • AECOM's childcare demand estimates (refer to the appendix Childcare Demand Calculations)
Long-term Aspirational Goal	• Slots to accommodate 100 percent of preschoolers	• CPAC, OECE staff
Short-term Target	• Slots to accommodate 99.6 percent of preschoolers; target is to maintain existing service levels	• CPAC, OECE staff

The City currently licenses just over 14,600 slots for preschool age children. The number of preschoolers needing licensed care in San Francisco is approximately 14,700. The available slots represent 99.6 percent of the preschool age childcare demand.

With Proposition H in California in 2004, and the more recent growing political precedent for the PFA initiative, the City aims to provide universal preschool. PFA, or universal preschool, means quality, affordable preschool within the City for all preschool age (4-year-old) children – not just those demanding childcare. This aspirational goal is tempered slightly to achieve a realistic goal of maintaining the existing service level, at 99.6 percent of preschooler childcare demand. Should a PFA initiative pass, the City (and/or the School District) may play an increasingly important role in preschool provision, likely becoming more involved in both the capital development and ongoing operations and maintenance support of such a program. Without such a mandated program, CPAC will continue to support existing and new providers through capital funding support to encourage slot development.

Infrastructure Shortfall and Gap Analysis

No shortfall exists at the current time, given that the metric target is based on maintaining the current provision into the future. By 2020, given population projections, there would be an additional new preschooler childcare demand for 2,256 slots. Serving 99.6 percent of this demand, as per the level of service, would require 2,247 additional preschooler childcare slots to be provided.

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6. STREETSCAPE AND PEDESTRIAN INFRASTRUCTURE

Streetscape and pedestrian infrastructure, like recreation and open space, is one of the infrastructure types that has received a significant amount of thought, public outreach, and organization from the City. This section will explore the components of streetscape and pedestrian infrastructure, such as sidewalk width, street trees, intersection safety, lighting, and bulb-outs, as potential metrics. However, given the data gaps and complexities of these streetscape components, and because streetscape and pedestrian infrastructure does not cover a standardized set of infrastructure facilities, a proxy metric of improved sidewalk square footage per service population is developed. The policy documents referenced in this section are noted in Table 15, and appended.

Table 15. Key Streetscape and Pedestrian Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Better Streets Plan (BSP)	Planning Department	December 2010	Adopted	• Overview of recommended streetscape and pedestrian infrastructure elements • Sidewalk width recommendations by street typology • Street tree spacing recommendation • Lighting provision recommendations
Financing San Francisco's Urban Forest	DPW, Planning Department	October 2012	Final report	• Survey of existing street trees • Street tree growth plan
WalkFirst	DPH, SFMTA, Planning Department, San Francisco County Transportation Authority	October 2011	Draft policy to be included in update of Transportation Element of the General Plan	• High-injury density corridor maps and scoring • Pedestrian improvement prioritization

Source: AECOM, 2013

BACKGROUND

The 2010 San Francisco Better Streets Plan (BSP), along with Section 2.4.13 of San Francisco's Public Works Code, articulates the concept of "complete streets" for San Francisco.[40] With guidelines for the design of the pedestrian environment, the BSP puts forward streetscape specifications which balance the needs of all street users. Safety, creation of social space on the sidewalk, and pedestrian aesthetic are broadly the three motivators underlying the BSP recommendations. Key components identified in the BSP include sidewalk widths, street trees, intersection safety, street lighting, and bulb-outs. With the exception of sidewalk width, only limited data is available for each of these elements, allowing for an incomplete measure of their provision.

Sidewalks represent the foundation of pedestrian infrastructure, providing a path of travel and a canvas for place-making. The width of the sidewalk informs the opportunities: wider sidewalks affect pedestrian capacity, pedestrian comfort, and sidewalk amenities, affording more space for landscaping and other streetscape elements. The BSP provides clear direction on sidewalk widths for various street types, providing both a minimum width and a recommended width. Minimum sidewalk widths range from 6 feet on alleys, to 12 feet on park edge streets. Currently, roughly 91 percent of all city sidewalks meet the minimum width cited in the BSP.[41] By comparison, the recommended widths range from 9 feet on alleys to 24 feet on park edge streets. Currently, roughly 75 percent of all city sidewalks meet the recommended BSP width. While neither the minimum nor recommended width is always practically achievable given other operational constraints of particular streets, these metrics provide a reasonable census of the City's current sidewalk infrastructure.

Street trees are the archetypical street landscaping element and contribute to the pedestrian environment in a number of ways. Tree-lined streets are perceived as more narrow, which slows driving speeds along the street thus impacting pedestrian safety. As well as calming traffic, tree-lined streets provide an enhanced urban aesthetic which can be reflected in increased property values of adjacent lots. Trees also shade the sidewalk and mitigate urban heat island effect. According to data from the Department of Public Works (DPW), there are currently approximately 105,000 trees in the right-of-way in San Francisco planted along more than 1,000 centerline miles of streets. DPW targets planting 55,000 new street trees by 2030, resulting in 160,000 total street trees.[42] As a point of comparison, Vancouver, with a land area of roughly equal size to San Francisco, currently has an estimated 140,000 street trees and plans to plant an additional 150,000 trees by 2020.[43] Similarly, New York City has an ambitious Million Trees NYC program which aims to add an additional one million trees to the city's urban forest over the next decade.[44]

Intersections represent one of the most significant risks to pedestrian safety. Injury and collision records at intersections can be used to determine high injury intersections. San Francisco's *WalkFirst* initiative, developed by the San Francisco Department of Public Health (DPH), defines so-called "high injury" corridors, based on

[40] Complete Streets are defined as streets which "are safe, comfortable, and convenient for travel for everyone, regardless of age or ability – motorists, pedestrians, bicyclists, and public transportation riders." Metropolitan Transportation Commission, "MTC One Bay Area Grant: Complete Streets Policy Development Workshop." 16 October 2012. Section 2.4.13 of San Francisco's Public Works Code outlines San Francisco's complete streets policy, including the construction of transit, bicycle, stormwater, and pedestrian improvements. Pedestrian environment improvements include sidewalk lighting, pedestrian safety measures, traffic calming devices, landscaping, and other pedestrian elements listed as defined in the Better Streets Plan.

[41] AECOM internal analysis based on DPW database of sidewalk widths. Note that in some instances, given geometric or other constraints, some sidewalks may not be able to meet BSP minimum widths – therefore 100 percent compliance with the BSP sidewalk widths may not be possible. Note also that data is not available for all city streets. This study recommends further data collection.

[42] AECOM, "Financing San Francisco's Urban Forest – The Benefits and Costs of a Comprehensive Street Tree Program." October 2012. Print.

[43] Canada. City of Vancouver. "Greenest City 2020 Action Plan." City of Vancouver, 2012. Web. 22 Jul. 2013. http://vancouver.ca/files/cov/report-GC2020-implementation-20121016.pdf

[44] Million Trees NYC. *Million Trees NYC*. MTNYC, 2013. http://www.milliontreesnyc.org/html/home/home.shtml

spatial injury data. In DPH's approach, high injury corridors, defined by number, severity, and density of injuries serve as a proxy for identifying intersections that operate at a deficit. These high injury corridors, and their associated 800 intersections, account for 6 percent of San Francisco's streets, but over 60 percent of all pedestrian injuries.[45] Where risks to pedestrians are high, a variety of treatments can be assessed to ameliorate the risk, including installing pedestrian signals, constructing bulb-outs, or adding bollards. Pedestrian safety upgrades would need to be individualized by intersection, given the unique dynamics and geometry of each intersection.

Street lighting is a major contributor to both pedestrian comfort and sidewalk safety. Security, as well as the perceived sense of security, is much higher on well-lit sidewalks than on poorly-lit or unlit sidewalks. Adequate lighting makes pedestrians feel more comfortable while walking at night, and reduces crime along the street. As well as improving safety, street lighting supports civic nighttime sidewalk activity, such as late-night street markets. However, no data exists on either the sidewalk lighting quality throughout the City or the appropriate spacing to achieve adequate light levels along sidewalks. With this data gap, no analysis of sidewalk lighting in the City can be performed.

Bulb-outs are extensions of the sidewalk into the parking lane, either at corners or mid-block locations. Bulb-outs narrow the roadway and extend the pedestrian space, which simultaneously slows traffic by creating a bottleneck, shortens crossing distance, and increases pedestrian visibility. Each of these effects increases pedestrian safety. Bulb-outs can also create space for more landscaping, street furniture, or high pedestrian volumes. The installation of bulb-outs needs to be assessed on a case-by-case basis; not all locations are suitable for bulb-outs, considering traffic characteristics (particularly the turning radii of large vehicles). While general bulb-out locations are recommended in the BSP, this study recommends further mapping of existing and proposed bulb-out locations. No blanket provision of bulb-outs would be appropriate, and currently no data exists to support analysis of bulb-outs.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, most City metrics regarding streetscape and pedestrian infrastructure focus on pedestrian access (i.e. availability of sidewalks and trails), the quality of the pedestrian experience, design and qualitative improvement, and measurement of mode share splits (Table 16 and Table 17). Some cities, like Portland and Vancouver do provide quantitative measures of provision, which help to evaluate progress towards their goals. In policy documents (particularly the BSP), San Francisco agencies provide few quantitative goals regarding streetscape and pedestrian infrastructure, but extensively discuss design guidelines and streetscape quality.

Table 16. Current LOS Provision Comparison – Streetscape and Pedestrian Infrastructure

San Francisco [1]	Minneapolis	Philadelphia	Portland	San Jose	Vancouver
• 105,000 existing street trees • 115 million square feet of sidewalk space	• 92% of street have sidewalks	• 131,000 existing street trees • 55 trees / mile of city street	• 17% of canopy coverage over streets • 1,900 miles of sidewalk	• N/A	• 138,000 street trees • 2,400 km of sidewalks

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

[45] Lily Langlois, Planner with the San Francisco Planning Department in an email dated December 12, 2013.

Table 17. City LOS Goals Comparison - Streetscape and Pedestrian Infrastructure

San Francisco [1]	Minneapolis	Philadelphia	Portland	San Jose	Vancouver
• Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030	• Few quantitative goals • Qualitative objectives, and design guidelines	• Increase walk mode share from 8.6% to 12% by 2020 • Keep 70% of assets in good repair • Increase tree coverage to 30% (by adding 300,000 trees by 2025)	• Neighborhoods must maintain citywide average for proportion of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails	• 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete and accommodate pedestrians and bikes	• Increase pedestrian mode share (66% of all trips to be by bike, walk, or transit by 2040) • By 2014, 2km of additional sidewalk

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

STREETSCAPE AND PEDESTRIAN INFRASTRUCTURE LOS METRIC

Because a complete streetscape environment is made up of many elements (street trees, bulb-outs, lighting, pedestrian signals, etc.) and because data for many of these elements is generally unavailable, an alternative proxy metric has been developed to evaluate current and future provision of streetscape and pedestrian infrastructure. The proxy metric used in this analysis is:

- Square feet of improved sidewalk per service population unit[46]

'Improved sidewalk' is a term that encompasses sidewalk space and any amenities in that space, such as lighting, street trees, bulb-outs, and sidewalk furniture. While the proscription for streetscape elements is not uniform across San Francisco (i.e. the BSP calls for different streetscape and pedestrian infrastructure improvements depending on the site considerations, the street type, the traffic patterns, and so on), the intent of the BSP is to improve all San Francisco streetscape. Therefore, the basic square footage of sidewalk is denoted 'improved sidewalk' to reflect the investments the City is committed to make in the pedestrian right-of-way in terms of sidewalk widening, bulb-outs, signalized crosswalks, pedestrian lighting, trash cans, benches, trees, and so on.

Because data for provision of streetscape elements is generally unavailable and because the BSP does not clearly delineate improvement plans for every streetscape site and condition, a precise definition of 'improved sidewalk' is unavailable. The metric is discussed in the following sub-sections.

[46] For streetscape and pedestrian infrastructure, service population is calculated by assigning residents one point, and employees 0.5 points. For a more complete definition of service population see the Service Population Definition in the Appendix (p.83). Refer also to the companion report, *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013) for more detail.

Square Feet of Improved Sidewalk Space

Table 18. Square Feet of Improved Sidewalk per Service Population Unit – LOS Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• 103 square feet of sidewalk per service population unit	• Planning Department and DPW data (see Table 29)
Long-term Aspirational Goal	• 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision)	• Planning staff
Short-term Target	• 88 square feet of improved sidewalk per service population unit (improve all existing sidewalk provision)	• Planning staff

Citywide, San Francisco currently supplies 115 million square feet of sidewalk – or 103 square feet of sidewalk per service population unit. The LOS ranges greatly across different neighborhoods. The Financial District provides only 25 square feet of sidewalk per service population unit, while the West of Twin Peaks neighborhood provides as much as 483 square feet of sidewalk per service population unit. Noe Valley, at 138 square feet per service population unit is more representative of the citywide average (Figure 5). Implicitly, this metric acknowledges that streets with higher service population densities require more pedestrian infrastructure than streets with lower service population densities. Note that this approach, based on service population density, provides a good indicator of where deficiencies likely exist, but a block-by-block analysis would be needed to definitively assess sidewalk provision and deficiency.

Both the long-term LOS goal and the short-term LOS target are to maintain *and improve* the current 115 million square feet of streetscape and pedestrian infrastructure. Given population growth between now (2013) and 2030, the 2030 provision of streetscape and pedestrian infrastructure would be 88 square feet of improved sidewalk per service population unit.[47]

Infrastructure Shortfall and Gap Analysis

The short-term (2030) LOS target is to improve all San Francisco streetscape. As such, there is no existing shortfall, but rather a commitment by the City, in accordance with the BSP, to invest in San Francisco streetscape and pedestrian infrastructure.

It should be made clear that this metric is intended to help set a framework for continued streetscape infrastructure evaluation. To develop this metric into a more robust representation of pedestrian and streetscape infrastructure provision in San Francisco, this report recommends collecting additional data on the larger suite of streetscape elements on a block-by-block basis. Such analysis would help ensure that

[47] Improving the 115 million square feet of streetscape and pedestrian infrastructure, given population growth through 2030 to 1,301,049 service population units, yields a LOS of 88 square feet per service population. Population and employment projections taken directly from the San Francisco Planning Department 2013 projections from Aksel Olsen, Planner/Geographer in Citywide Information and Analysis Group, received May 14, 2013 (Table 29). Note that in some streetscape and pedestrian infrastructure improvement projects, such as bulb-out construction or sidewalk widening, square footage will be added to the existing 115 million square feet of sidewalk space footage – although the new square footage from bulb-outs and the select instances of sidewalk widening will likely contribute only a small additional amount of additional streetscape square footage. In the absence of data on the estimated amount of additional streetscape square footage to be constructed, this metric assumes that streetscape improvements will maintain the existing square footage. The consultant recommends collecting robust data on streetscape square footage across the City, considering both existing square footage, projected square footage (via planned streetscape improvement projects), and actual post-construction square.

streetscape development in San Francisco contains all of the components important for a safe, walkable, and healthy streetscape. Defining 'improved sidewalk' with quantitative measures of lights per block, bulb-outs per intersection type, pedestrian signalization per intersection type, and so on, and collecting data per street segment, would allow a more precise definition of streetscape and pedestrian LOS. The BSP demonstrates the City's commitment to improving streetscape and pedestrian infrastructure (although the precise set of improvements will differ across projects, locations, and street types)[48], and AECOM recommends further data collection and more precise definition of streetscape and pedestrian infrastructure elements to facilitate BSP implementation. With more information, a more precise LOS metric can be defined that can better track the effect of streetscape improvement projects on the streetscape and pedestrian infrastructure provision.

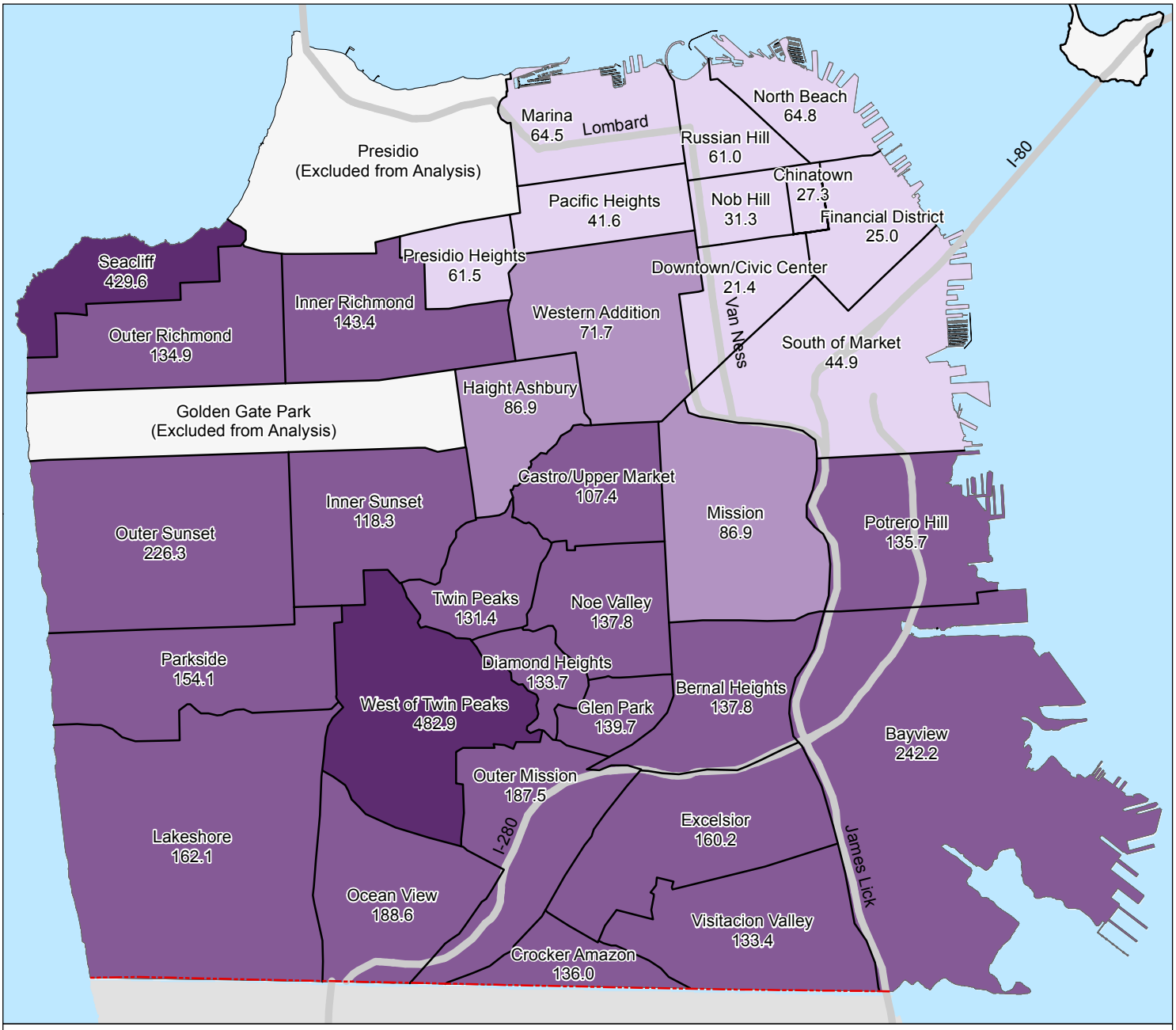
PROPOSED OPPORTUNITIES FOR FURTHER STUDY

The following studies were identified in the LOS metric development process as potential next steps in the continued refinement of the City's streetscape and pedestrian infrastructure provision evaluation:

- Inventory of sidewalk improvement elements on a block-by-block basis
- Collection of sidewalk width data for missing 25 percent of streets
- Collection of sidewalk width data for both sides of streets
- Collection of more thorough street tree data including data for missing trees and mapping of street trees in medians
- Mapping of existing bulb-out locations
- Mapping of recommended and required bulb-out locations per the BSP street typologies
- Collection of data on pedestrian lighting, including locations and illumination
- Definition of a sidewalk lighting standard in terms of spacing of light poles

This additional data would allow the City to evaluate provision and distribution in greater detail.

[48] In some cases, given the site conditions, traffic patterns, built environment constraints, street type, and existing conditions, the streetscape and pedestrian infrastructure improvements may be a Do Nothing scenario.



Citywide Sidewalk Provision (2013)	
Total Sidewalks* (Million Square Feet)	115
Total Improved Sidewalks (Square Miles)	4.1
LOS Metric - Sqare Feet of Sidewalk Per SPU**	
Current Citywide Average (2013)	103
Short-term target (2030) - Sq. ft. of *Improved* Sidewalk Per SPU	88
Existing Citywide Shortfall (Square Feet)	-

* Based on sidewalk data from DPW. Where data gaps exist, AECOM assumed sidewalks on only one side of the street and sidewalks with the average sidewalk width (10ft).

** Service Population Unit

*** Improved sidewalk denotes sidewalk that, although not consistent or uniform in provision, has some pedestrian amenities (trees, lighting, bulb-outs, etc), rather than just pavement.

LEGEND

- County Boundary
- Neighborhoods
- Highways

NORTH

0 3,000 6,000 Feet

Scale: 1 inch = 6,000 feet

Source: DPW, Planning

Sidewalk Provision (in square feet per service population unit)

- Below 65
- 65 - 103 (Citywide average, 2013)
- 103 - 300
- Above 300

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Figure 5. Square Feet of Sidewalk Area per Service Population Unit (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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7. BICYCLE INFRASTRUCTURE

Bicycle infrastructure complements the other transportation modes within the city, and San Francisco is working to increase the number of trips taken by bike and the number of people riding bikes. The following section will give background on the bicycle network in San Francisco, propose targets for bicycle network provision, and evaluate these targets. The policies referenced in this section are included in Table 19 below. This section relies heavily on the SFMTA Bicycle Strategy.[49]

Table 19. Key Bicycle Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Bicycle Master Plan	SFMTA	June 2009	Adopted	• Overview of existing bicycle network • Overview of bicycle network objectives and planned development
SFMTA Bicycle Strategy	SFMTA	December 2012	Internal policy document; basis for 2014 CIP project list (pending adoption of CIP project list in April 2014)	• Overview of existing bicycle network • 3 potential scenarios for expansion of the bicycle network

Source: AECOM, 2013.

BACKGROUND

The City currently manages roughly 216 miles of bicycle network on the City's 1,030 centerline miles of road, with a bicycle mode share of approximately 3.5 percent.[50] In the past, the bicycle network has been classified according to the traditional Class I, II, III system which distinguishes bike routes by their decreasing level of separation from vehicle traffic. In consultation with the SFMTA, this traditional engineering classification system

[49] San Francisco Municipal Transportation Agency, "SFMTA Bicycle Strategy." January 2013. Print. While this document is still a draft, SFMTA staff directed the consultant to use it because SFMTA is developing the CIP project list to be put forward for board approval in April 2014 based on this document. Although no plans exist to take the 2013 Bicycle Strategy to the board for adoption, the project list derived from it will be taken to the board for CIP approval in April 2014.
[50] Mode share represents the percentage of all trips made by a particular mode – i.e. 3.5 percent of all trips are made by bicycle.

was deemed somewhat inadequate to describe all San Francisco bikeway types, since San Francisco is building new types of bikeway infrastructure that do not fit in the traditional classifications.[51]

Instead of the traditional classifications, San Francisco has developed its own Comfort Index to rate the bike network.[52] The Comfort Index is a four-tiered categorization (LTS 1 to 4) that relates the accessibility of the bikeway to different rider skill levels (Figure 6): LTS 1 represents bikeways that any bicyclists would find comfortable including young children, seniors, disabled persons, and beginner cyclists; LTS 2 represents bikeways comfortable for most adults and experienced children; LTS 3 represents bikeways comfortable for intermediate and experienced adult riders, termed ”enthusiastic and confident”; and LTS 4 represents bikeways comfortable only for ”strong and fearless” riders. The classification is based on a variety of factors including proximity to rail, speed of adjacent traffic, type of existing facility, interaction with express buses, and proximity to highway on-ramps. While the existing bicycle network is approximately at full build-out, per the 2009 *Bicycle Master Plan*, SFMTA has expressed plans to upgrade existing routes to more ”comfortable” class levels.

A typical measure of bicycle transportation is bicycle mode share. Mode share measures the percentage of all transportation trips that use a given “mode” – in this case, the percentage of all trips made by bicycle. As noted above, San Francisco currently has a bicycle mode share of approximately 3.5 percent, which it aims to increase to between 8 and10 percent by 2018. While useful to evaluate how people are traveling, as a metric, mode share has no direct connection to infrastructure. A percentage point of mode share cannot defensibly be equated to miles of bikeway. Instead, in the Bike Strategy, SFMTA has identified the bike infrastructure necessary to move towards the City’s target mode share. Note that the City has met the original planned provision of bicycle lanes in the 2009 *San Francisco Bicycle Plan* and is now working to improve the system and facilitate bicycle activity along the existing networks.

CASE STUDY COMPARISON: PROVISION AND METRICS

A review of LOS metrics and goals for other cities found that cities tend to evaluate their bicycle infrastructure provision either through the amount or length of bike lanes, or through a measurement of bicycle mode share (Table 20, Table 21). Some cities, such as Boston, Miami, and Philadelphia have also noted the importance of having, or working towards, some nationally-recognized bicycle status program. While San Francisco has developed strategic bicycle plans tailored to increase both quantity and quality of the city’s bicycle network, the SFMTA does not have explicit LOS goals.

[51] Heath Maddox, Senior Transportation Planner at SFMTA, via email received May 8, 2013.
[52] San Francisco’s Comfort Index is modeled off of the Level of Traffic Street (LTS) designation developed by the Mineta Transportation Institute.

Table 20. Current LOS Provision Comparison – Bicycle Infrastructure

San Francisco [1]	Boston	Miami	Philadelphia	Portland	Vancouver
• 216 miles of bike network • Current bicycle mode share of 3.5%	• Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • Over 100 miles of bike network	• 17.12 miles of bike network • 1.6% of street network	• Approximately 20% of streets have bike network (2012) • 128 miles of bike network (2009)	• 230 street miles of bike network	• 280 miles of bike network • 100% of buses are bike-accessible

Source: Various city agencies

1. Only select cities are included (see Table 30 for additional cities).

Table 21. City LOS Goals Comparison – Bicycle Infrastructure

San Francisco [1]	Boston	Miami	Philadelphia	Portland	Vancouver
• Bicycle Strategy Plan and network infrastructure improvements • Mode share increase from 3.5% to 8%-10%	• 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network	• 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status	• Reduce bike accidents 50% by 2020 • Increase bike mode share from 1.6% to 6.5% • League of American Bicyclists "Platinum" (2013) • 70% of assets in good repair • Reduce VMT by 10%	• 3% bike commuting trips • 630 miles of total bike network by 2030 • All areas must maintain citywide average for bike lane miles per 1,000 households	• Increase bike mode share • Expand "all ages and abilities" bike network • Provide additional bike parking • 328 total miles in bike network as near-term goal
• 0.27 miles of bicycle network/ 1,000 residents	• 0.68 miles of bicycle network/ 1,000 residents	• 0.70 miles of bicycle network/ 1,000 residents	• 0.36 miles of bicycle network/ 1,000 residents	• 1.08 miles of bicycle network/ 1,000 residents	• 0.54 miles of bicycle network/ 1,000 residents

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 31 for additional cities).

BICYCLE INFRASTRUCTURE METRICS

In place of LOS metrics, SFMTA prepared a list of infrastructure improvement targets, in line with what has been developed as part of the Bicycle Strategy. The following four infrastructure facilities make up the critical elements of the most recent Bicycle Strategy:

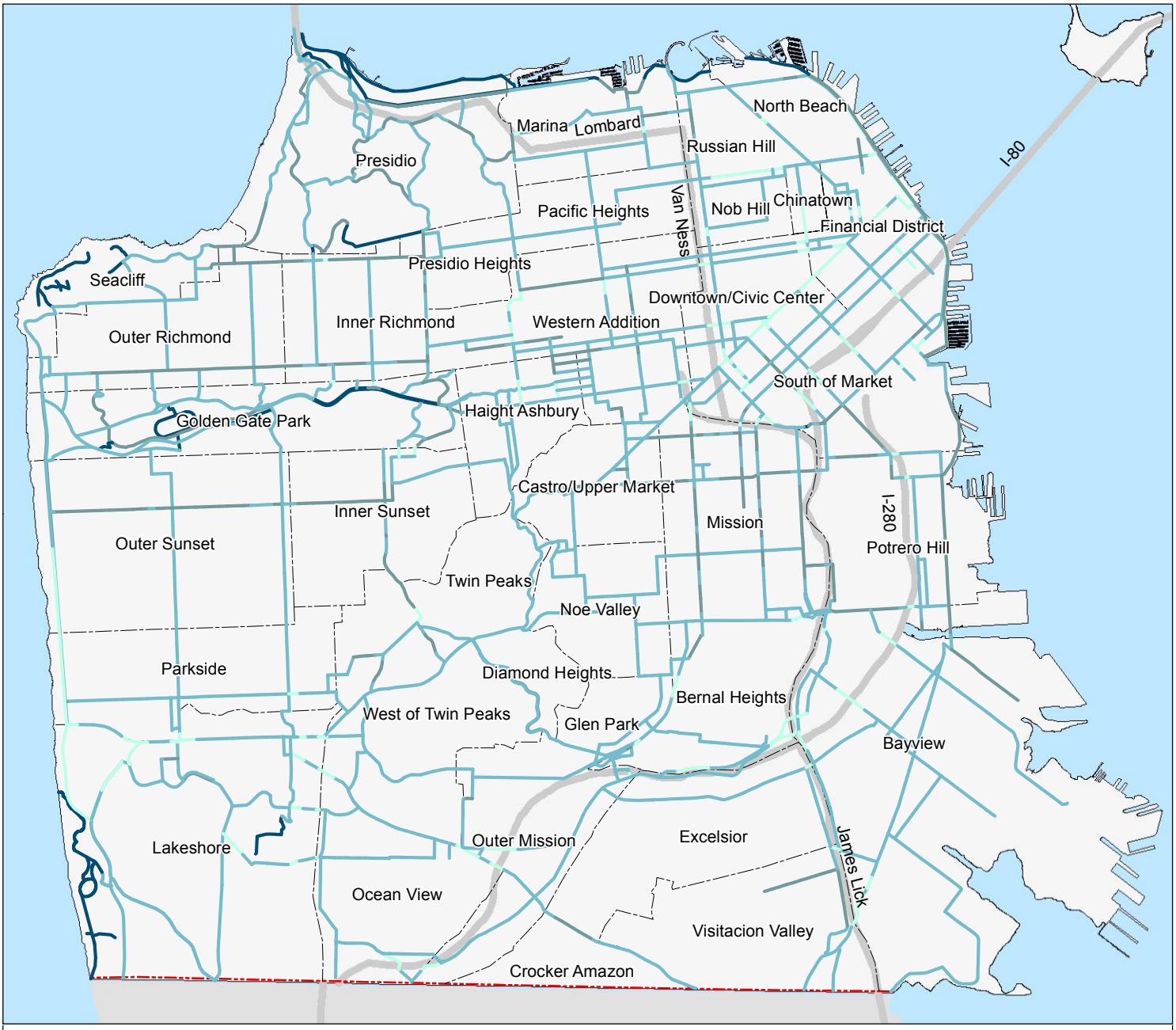
- Premium (LTS 1 and 2) network miles
- Upgraded intersections
- Bicycle parking spaces
- Bicycle share program (bikes and accompanying stations)

San Francisco's goal for bicycle transportation is to achieve 8 to 10 percent mode share. The Bicycle Strategy, created through the diligent and thoughtful work of the SFMTA, outlines the steps SFMTA must take to achieve

their goal. For this reason, no new bicycle infrastructure metrics are proposed; instead, the scenarios proposed by SFMTA are adopted as targets for bicycle infrastructure, as the means to achieve their mode share end.

For each of the infrastructure elements, the long-term aspirational goal is based on SFMTA's *System Build-out Scenario*, as outlined in the SFMTA Bicycle Strategy, which represents the full realization of the desired bike network for San Francisco. This scenario would cost over $600 million, increasing bicycle mode share to more than 15 percent. The short-term targets are based on the "*Bicycle Plan Plus" Scenario* and represent a more reasonable goal by 2018. The targets are expected to cost roughly $60 million by 2018, helping to increase bicycle mode share to between 8 and 10 percent.[53]

[53] United States. San Francisco Municipal Transportation Agency (SFMTA). "SFMTA Bicycle Strategy." SFMTA, Dec. 2012. Print.



Bicycle Network Provision (2013)	
Total Bicycle Network (Miles)	216
LTS 1	16
LTS 2	35
LTS 3	121
LTS 4	44
LOS Metric - % Premium Facilities* within Bike Network	
Current Citywide Average (2013)	24%
Short-term Target (2018)**	27%
Projected Citywide Shortfall (Miles of Bikeway)	10

* Premium facilities are bikeways of class LTS 1 or LTS 2

** Percentage accounts for 10 new miles of planned bikeways

LEGEND

- County Boundary
- Neighborhoods
- Highways

NORTH

0 3,000 6,000 Feet

Scale: 1 inch = 6,000 feet

Source: San Francisco MTA

Comfort Level According to San Francisco's Comfort Index

- LTS 1 (Comfortable for all user groups)
- LTS 2 (Comfortable for most adults/experienced youth)
- LTS 3 (Comfortable for intermediate and experienced adults)
- LTS 4 (Tolerated only by the 'strong and fearless')

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Figure 6. Bicycle Network Provision by Comfort Index (2013)

San Francisco Infrastructure Level of Service Analysis

February 2014

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Table 22 summarizes the individual long-term infrastructure goals and short-term targets for each element.

Table 22. Bicycle Infrastructure – Network Provision and Targets

Infrastructure Measure	Value	Source
Premium Network Miles		
Current Citywide Provision	• 51 miles	• SFMTA Data (see Table 29)
Long-term Aspirational Goal	• 251 miles (200 additional miles)	• SFMTA Bicycle Strategy, p21, *System Build-out Scenario*,
Short-term Target (2018)	• 61 miles (10 additional miles)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
Upgraded Intersections		
Current Citywide Provision	• 3 intersections	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 203 intersections (200 additional intersections)	• SFMTA Bicycle Strategy, p21, *System Build-out Scenario*,
Short-term Target (2018)	• 13 intersections (10 additional intersections)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
Bicycle Parking Spaces		
Current Citywide Provision	• 8,800 spaces	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 58,000 spaces (50,000 additional spaces)	• SFMTA Bicycle Strategy, p21, *System Build-out Scenario*,
Short-term Target (2018)	• 12,800 spaces (4,000 additional space)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*
Bicycle Sharing Program		
Current Citywide Provision	• 0 bicycles (and sharing stations)	• SFMTA Bicycle Strategy
Long-term Aspirational Goal	• 3,000 bicycles and 300 sharing stations (all net new)	• SFMTA Bicycle Strategy, p21, *System Build-out Scenario*,
Short-term Target (2018)	• 500 bicycles and 50 sharing stations (all net new)	• SFMTA Bicycle Strategy, p21, *Bicycle Plan Plus Scenario*

Infrastructure Shortfall and Gap Analysis

Assuming the proposed improvements take place between now (2013) and 2018, the City will achieve stated short-term targets. The city has built all of the proposed bike-miles in the 2009 *Bicycle Master Plan* and will now work towards the targets set by the Bicycle Plan Plus scenario in the Bicycle Strategy.

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8. TRANSIT INFRASTRUCTURE

Like bicycle and pedestrian infrastructure, transit infrastructure complements the other transportation modes within the city. San Francisco aims to increase transit's mode share.[54] The following section provides a background on San Francisco's transit infrastructure and reviews previously determined metrics and targets for transit network provision. The policy referenced in this section is noted in Table 23 below.

Table 23. Key Transit Infrastructure Guiding Policy Documents

Policy Document	Issuing Department	Year	Document Status	Key Contributions
San Francisco Transportation Sustainability Fee Nexus Study	SFMTA	March 2012	Draft report	• Transit performance metrics and targets (both transit crowding and travel time)

Source: AECOM, 2013

BACKGROUND

The SFMTA's 2012 *San Francisco Transportation Sustainability Fee Nexus Study* is an important guiding document for the evaluation of San Francisco's transit system. The evaluation of transit infrastructure defers to this report and its subsequent updates.

CASE STUDY COMPARISON: PROVISION AND METRICS

In a review of LOS metrics and goals for other cities, the most common measures of transit provision are percent mode share, ridership counts, transit load (crowding), and travel time (Table 24).

While these make helpful goals, none of the cities reviewed make their current provision of these metrics readily available (Table 24) making it difficult to evaluate how well they are currently providing transit infrastructure. In its *Transportation Sustainability Fee Nexus Study*, SFMTA measures two of these common metrics, which are directly applied in this study.

[54] Mode share represents the percentage of all trips made by a particular mode – in this case, the percent of all trips made by transit.

Table 24. Current LOS Provision Comparison – Transit

San Francisco[1]	Portland	San Diego	Vancouver
Travel Time			
• Average 33.7 minutes per transit travel time	• N/A	• Approximately 15% of transit trips shorter than 30 minutes (compared to 8% currently)	• N/A
Transit Crowding			
• 85% transit crowding target	• Transit load factor greater than 100% • 19% transit commuting trips	• Increased ridership and having an attractive, convenient transit system	• Increase transit mode share

Source: Various city agencies

1. Only cities with relevant LOS metrics are included (see Table 30 and Table 31 for additional cities).

TRANSIT LOS METRICS

The SFMTA's 2012 *San Francisco Transportation Sustainability Fee Nexus Study* is an important guiding document for the evaluation of San Francisco's transit system. Two key performance metrics are identified to measure the City's success in meeting its target LOS. While these two metrics were specifically applied to develop an appropriate nexus, SFMTA supports the use of the metrics for LOS evaluation as well. Because of the nature of transit travel in San Francisco, both of these metrics are calculated at the citywide level. The two metrics are:

- Transit crowding
- Transit travel time

Not only are the two metrics quantitatively evaluated by SF-CHAMP, the City's travel demand model, but together these two metrics measure the true impact of new development on the City's transit system.

Transit Crowding

Table 25. Transit Crowding – Network Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• N/A	• San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-7 to 5-9
Long-term Aspirational Goal	• N/A	
Short-term Target (2018)	• 85% transit crowding	

The transit crowding metric – also known as the transit system load factor – measures "transit capacity utilization," calculated as transit demand (ridership) as a percentage of capacity. The capacity of a transit

vehicle includes the total number of seats as well as additional standing room. *The current LOS provision is currently being developed and is not included in this report.*

The SFMTA uses a transit crowding of 85 percent to identify overcrowded conditions on a bus route or rail line at any given time. This LOS target was used in the transit nexus analysis to develop an appropriate fee level. As a point of comparison, Portland targets a transit system load factor of 100 percent.[55]

Infrastructure Shortfall and Gap Analysis

Individual route and existing citywide information is not available for this metric. *Additional information on the system-wide shortfall will be available once the transit system evaluation process currently underway is completed.*

Transit Travel Time

SFMTA uses transit travel time as useful metric to evaluate the transit system's performance. The metric helps account for impacts of development on the system, and is used in transit policy and planning. The metric is calculated by dividing total person transit time by total transit trips.

Table 26. Transit Travel Time – Network Provision and Targets

LOS Measure	Value	Source
Current Citywide Average	• 33.7 minutes per average travel time	• San Francisco Transportation Sustainability Fee Nexus Study, pp. 3-3 to 3-8; 5-9 to 5-11
Long-term Aspirational Goal	• N/A	
Short-term Target (2018)	• 33.6 minutes per average travel time	

As of 2010, the average system-wide transit travel time was approximately 33.7 minutes. This is a door-to-door measurement and includes walking to a transit stop, waiting for the vehicle, and walking from the stop to the destination.[56]

By 2030, SFMTA is aiming for an average transit travel time of 33.6 minutes, roughly the same as it now provides.

Infrastructure Shortfall and Gap Analysis

The transit travel time provided in 2010 was seen as adequate. However, in its 2012 *San Francisco Transportation Sustainability Fee Nexus Study*, SFMTA has identified a number of projects that must be built in order to sustain the LOS target put forth. These projects aim to address expected increased development and service population within San Francisco.

[55] United States. City of Portland. Portland Bureau of Transportation. "Transportation System Plan, Chapter 5 – Modal Plans and Management Plans." City of Portland, 4 May 2007. Web. 22 Jul. 2013. http://www.portlandoregon.gov/transportation/article/370479
[56] Cambridge Systematics, Inc., Urban Economics, et al. "San Francisco Transportation Sustainability Fee Nexus Study." March 2012. Print.

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9. SOCIOECONOMIC VULNERABILITY

While the metrics presented in this report intend to evaluate LOS and provisional distribution of the various infrastructure categories, the metrics are unable to consider all of the factors that might affect project prioritization. Evaluating socioeconomic indicators can be a useful tool to provide additional information about a neighborhood's general level of "vulnerability." Vulnerable populations often do not have the resources to access private amenities such as private transportation or private recreation facilities, creating a greater need for public facilities and services in these communities. For the purposes of this study, five socioeconomic indicators have been evaluated at both the tract and neighborhood level:

1. Unemployment rate
2. Household income
3. Age – Youth population (0-14)
4. Age – Elderly population (65+)
5. Minority population (>50% non-white)

The results of the individual socioeconomic indicators are presented by neighborhood in the Appendix (Table 32-Table 35).

In order to measure the overall vulnerability of a tract, these five indicators are consolidated, each receiving one point for the following measures. This point distribution assigns equal importance to each of the indicators. While this may over or under emphasize the importance of one of the indicators, it provides a starting point to evaluate neighborhoods. As a result, tracts receive a score from zero to five, zero being least vulnerable, and five being most vulnerable.

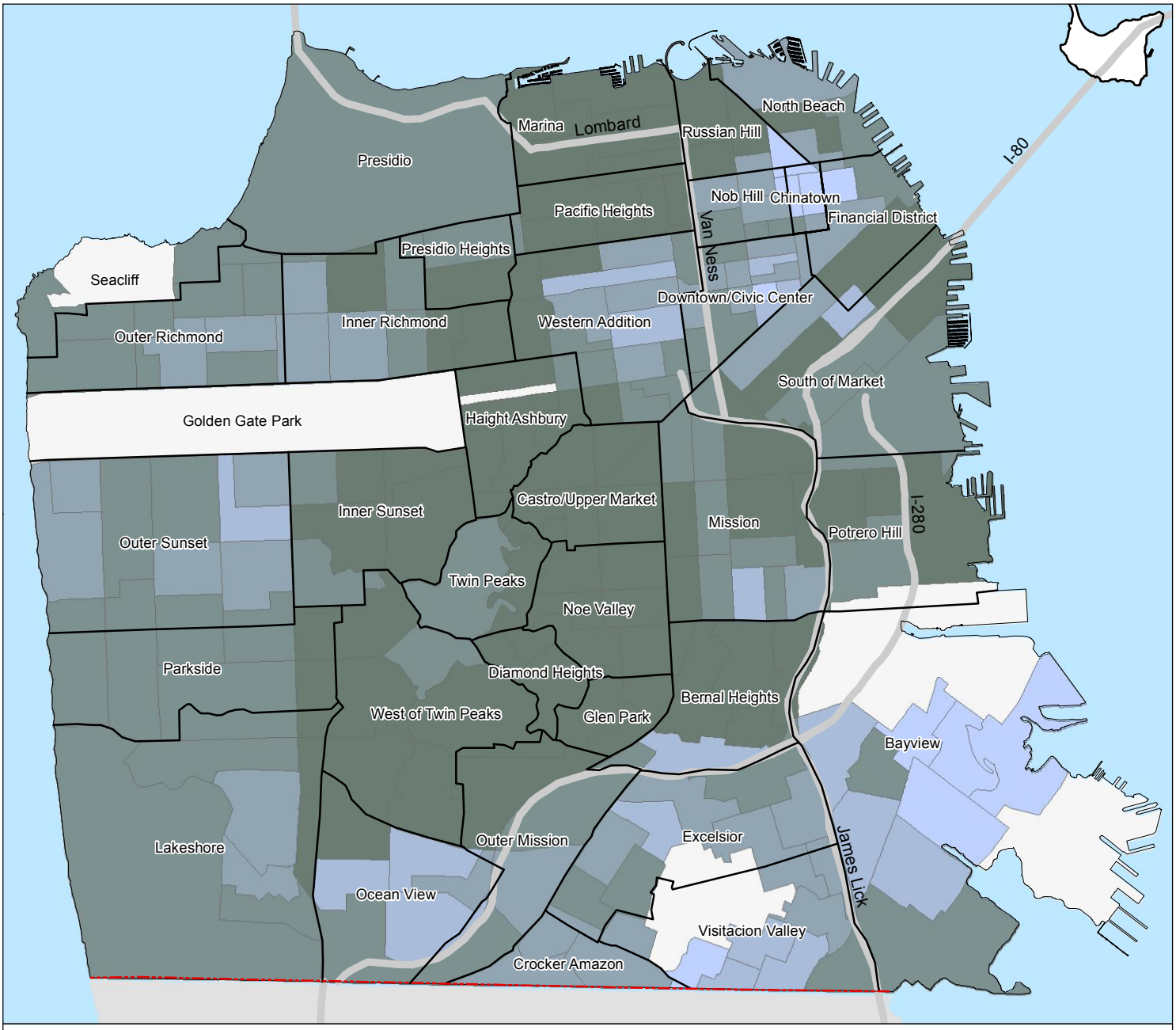
- **Unemployment rate** – Neighborhoods with civilian unemployment rates above 150 percent of the citywide average.[57]
- **Average household income** – Neighborhoods that have a greater share of households under 80 percent of the area median income (AMI) than the households in the city on average.[58]
- **Youth –** Neighborhoods whose youth (0-14) population as a percentage of total population is 150 percent of the ratio citywide.[59]

[57] In 2010, the citywide unemployment rate was 7 percent. One hundred and fifty percent of the citywide average is 11 percent (2010 ACS).
[58] With an average household size of 3.0 people, the citywide 80 percent AMI for 2010 was $71,550. Source: http://sf-moh.org/Modules/ShowDocument.aspx?documentid=4614
[59] In 2010, the citywide youth (0-14) rate was 11 percent. One hundred and fifty percent of the citywide average is 17 percent (Source: U.S. Census).

- **Elderly** – Neighborhoods whose elderly (65+) population as a percentage of total population is 150 percent of the ratio citywide.[60]
- **Minority** – Neighborhoods with greater than 50 percent non-white (minority) population by race.[61]

As highlighted in Figure 7, the City's most vulnerable tracts are disproportionately concentrated in Bayview, Excelsior, Visitacion Valley, and Chinatown neighborhoods. These areas may receive special consideration to ensure that their infrastructure needs are met.

[60] In 2010, the citywide elderly (65+) rate was 14 percent. One hundred and fifty percent of the citywide average is 20 percent (Source: U.S. Census).
[61] In 2010, 52 percent of the city's residents were non-white (Source: U.S. Census).



Five Socio-Economic Indicators of Vulnerability	
a	Unemployment rate
b	Household income
c	Age - youth population (0-14)
d	Age - elderly population (65+)
e	Minority population (>50% non-white)

LEGEND

- County Boundary
- Neighborhoods
- Highways

NORTH

Feet
0 3,000 6,000

Scale: 1 inch = 6,000 feet

Source: US Census Bureau, 2010

Socio-Economic Vulnerability

- Census tracts omitted from analysis (ACS data gap)
- 5 (Most Vulnerable; no tract achieves score of 5)
- 4
- 3
- 2
- 1
- 0 (Least Vulnerable)

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Figure 7. Socio-Economic Vulnerability (2013)

San Francisco Infrastructure Level of Service Analysis

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10. PROJECT PRIORITIZATION, FINANCING, AND NEXT STEPS

Findings from Case Studies

Because LOS metrics are not often applied in the cities surveyed, the cities reviewed as part of this project have other methods of project prioritization.[62] With a few exceptions, infrastructure improvements are typically prioritized at the department level rather than at the city level and are based on master plans or other guiding policy documents identifying "need" areas, funding availability, and construction or location synergies with other projects. Given financial constraints, improvements tend to be reactive and opportunistic rather than proactive or guided by clear prioritization. Improvements can also be tied to major development projects that cannot move forward without infrastructure improvements to support the project.[63] These can be performed on a case-by-case basis or through a development fee program which allows cities to charge development for the increased demand it will put on city infrastructure.

Of the reviewed cities, Vancouver, Portland, and San Diego provide examples of how infrastructure improvements are prioritized across agencies at a citywide level.

- In **Vancouver**, infrastructure improvements are guided by three key documents: (1) a 10-year capital strategic outlook plan, (2) a 3-year capital plan, and (3) an annual capital budget. Most interesting is the level of public involvement in shaping these documents. The 3-year capital plan involves extensive public outreach, including surveys that allow residents to vote on how to spend capital funds and prioritize

[62] Note that cities with a comprehensive development fee program are required to consider long-range improvements to their capital infrastructure in order to develop a nexus between the development fee and future infrastructure needs. This is especially the case for expanding cities (e.g. Fairfield, Vacaville, etc.) which often consider how future subdivisions will impact their overall infrastructure. Prioritization is based partially in response to existing need but also in tandem with the construction and occupation of homes on the edge of their city. For example, roadway enhancements are often planned with the certification of occupancy permits. Cities, at their discretion, can allow the developer to build infrastructure as credit towards their development fee.

[63] A development fee program can incrementally accumulate capital funds to pay for neighborhood or citywide infrastructure shortfalls before certain infrastructure thresholds halt a given project. Rather than one project paying for the expansion of specific infrastructure because it was the unfortunate project to be timed with infrastructure at 100 percent of capacity, each project is paying its fair share, and then the pool of funds pays to maintain level of service standards.

improvements. This process provides concrete guidance on how funds should be spent and creates a very transparent and participatory process.

- **Portland** produces an annual Citywide Assets Report, which summarizes the provision and value of key infrastructure facilities (transportation, environmental services, water, parks, civil) and shows the funding shortfall. The document is intended to help provide a clear overview of Portland's infrastructure and asset management. One of the key tasks identified by the Report in 2009 was to develop service level targets for each of the participating bureaus – to be adopted, in part, in 2013. Much like San Francisco, it is intended that these service levels will be used to help prioritize infrastructure funding. This, however, remains a future goal, as bureaus are still developing and refining their service levels.
- In **San Diego**, the Public Facility Financing Fee system is tied to its community plans and General Plan which require a public process. The public facility financing fee system is reviewed annually by community planning groups, the Planning Commission, and City Council. The fees are based on public facilities in the community plans, which are based on the General Plan LOS standards.

For other cities that do not employ explicit LOS targets, goals are often woven into development fee programs, which set standards for new development. Other cities aim to maintain current LOS, although the cities do not always define what they are.

It should also be noted that the cities that do not currently use explicit LOS metrics or targets expressed significant interest in San Francisco's work and progress. Developing such targets and applying them to project prioritization will continue to support San Francisco's position as an innovative planning thought leader.

BRIEF FINANCING DISCUSSION

It is clear from the case studies that in other cities, much as in San Francisco, funding for infrastructure improvements is a constant concern. Projects tend to be financed through a number of sources. Capital budget, bonds, user fees, development fees, state and federal programs, private donations and grants, and development agreements all play an important role in maintaining adequate infrastructure facilities. State and local propositions have funded a number of citywide infrastructure initiatives in California[64], and local and regional sales tax initiatives have provided capital funds for transportation enhancements.[65]

Depending on infrastructure type, various funding sources play larger roles. Transportation-related projects tend to qualify for more state and national funding sources, while some cities have had success with fundraising and private donations for their parks facilities. Portland, for example, is targeting private funds for 10 percent of its overall parks budget.

Other cities tend to rely more heavily on development to fund existing and projected infrastructure shortfalls. San Jose has negotiated relatively aggressive development agreements in which it receives a significant percentage of the increased land value when parcels are rezoned as part of the agreement. San Jose indicates that this is one of the few viable options available to them to support their infrastructure demands. This source of funding allows San Jose to apply the money towards existing deficiencies or repairs. Additionally, of course, a number of cities rely on development impact fees for incremental infrastructure demand. A comparative

[64] Some recent propositions that have funded infrastructure initiatives are Propositions 1A -- the 2008 Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century; and San Francisco's Proposition 1B -- the Highway Safety, Traffic Reduction, Air Quality and Port Security Act.

[65] Three transportation sales taxes in San Jose generate $270 million annually (in 2013) and are distributed through the Santa Clara Valley Transit Authority. United States. Santa Clara Valley Transit Authority (VTA). "Adopted Biennial Budget- Fiscal Years 2013 and 2013." VTA, 2011-2013. Web. 22 Jul. 2013. http://www.vta.org/inside/budget/FY12_and_FY13_Budget_Book.pdf

analysis of impact fees for childcare, streetscape, and park infrastructure was developed for twenty-two cities throughout California in the 2008 *City & County of San Francisco Citywide Development Impact Fee Study*.[66] Citywide impact fees for recreation and open space are most common in the surveyed cities, followed by streetscape and pedestrian infrastructure fees. Only one city, Concord, charged impact fees for childcare. As impact fees are tied to an implied LOS target, the lack of impact fees for streetscape and childcare provision support the findings of this report that LOS targets for provisions other than recreation and open space and, occasionally, transit infrastructure are rare.

It is important to note, that while most impact fees are charged at the citywide level, some cities, like San Francisco, have different fees applied at different levels. In San Diego, for example, development impact fees are primarily set at the community level and can vary widely across the city.

NEXT STEPS & IMPLICATIONS FOR NEXUS ANALYSIS

The LOS targets developed as part of this report will serve as useful starting points for the Nexus study. As indicated, while not all of the metrics and targets are appropriate for the Nexus study, setting agreed upon LOS helps to manage expectations and increase predictability for the city as well as potential developers.

The passage of AB 1600 in 1988 resulted in a framework for establishing development impact fees.[67] In general, there are two important factors to consider in developing any nexus analysis. First, AB 1600 requires that development impact fees only charge new development with the cost of providing infrastructure services required by the additional development. Cities are not allowed to apply development impact fees to pay for existing shortfalls. Where this study identifies infrastructure shortfalls that do not reach citywide LOS goals, the City remains responsible for managing those shortfalls. As a result, the LOS goals provide guidance for future development's share of the total infrastructure need.

Second, AB 1600 indicates that the City must have a plan for how it is going to reach its proposed LOS target if it has not already been met. In other words, if the city is unable to meet the proposed LOS, the city cannot charge new development for this standard. Further, development fees should pay specifically for capital improvements and not for the ongoing operations and maintenance of existing facilities, since the fees are intended to accommodate the facility demand of the new service population. Fees going to operations and maintenance do not permanently resolve ongoing facility needs of the new populations.

Operation and Maintenance Resources

Maintaining a realistic LOS becomes an important part of both evaluating provision and applying the target to a nexus analysis.

Although nexus fees focus on capital costs, ongoing revenue to operate and maintain the infrastructure investments is equally important. Cities, especially in California under Proposition 13, continually struggle with the ongoing maintenance of their community facilities and infrastructure assets. General Fund dollars are limited, and, during recession periods, cities make hard choices about maintaining, say, adequate police and fire services, or ongoing maintenance/repairs in sidewalks, parks, and street trees. As a caution, setting level of service goals too high can ultimately undermine the capital investments as they slowly depreciate and become

[66] FCS Group. "City & County of San Francisco Citywide Development Impact Fee Study, Chapter III." March 2008. Print.
[67] Before AB 1600, the 1975 Quimby Act established the right of cities to require developers to mitigate the impacts of development, specifically on neighborhood and community park demand.

deteriorating public assets that don't serve their initial purpose. Modest capital planning in concert with secured operation and maintenance revenue provides a more prudent and fiscally-sustainable course.

Special taxes (such as parcel taxes, lighting and landscape districts, business improvement districts, and community benefits districts) can support the ongoing maintenance of capital facilities, although they can be difficult to pass considering the two-thirds voter requirements in California.

11. APPENDICES

SERVICE POPULATION DEFINITION

The term **Service Population Units** refers to the number of people, or units, that are served by a given infrastructure type. The service population for each infrastructure category is shown below in Table 27.

Service population units are calculated in this study as one times the resident population plus one-half times the employee population, setting up a 1:0.5 ratio of intensity of use between residents and employees. This ratio reflects the fact that both residents and employees require infrastructure, while discounting employees who typically use infrastructure less intensively than residents.

For recreation and open space, the service population unit calculation is slightly modified to a 1:0.19 ratio between residents and employees (i.e. service population units are equal to one times the resident population plus 0.19 times the employee population). This ratio applies a greater discount to employees, because recreation and open space is used much more at home than near work, as analyzed by the Hausrath Economics Group in a study entitled “Phoenix Park and Library EDU Factors Study” (September 2008).

A more detailed discussion of service population can be found in the companion report, the *San Francisco Citywide Nexus Analysis* (March 2014), and its appendix report, *San Francisco Citywide Nexus Analysis – Service Population Concept Memorandum* (September 24, 2013).

Table 27. Service Population Per Infrastructure Category

Facility Type	LOS Metric	2013	Future Year	Growth
	**Recreation and Open Space**	**2013**	**2030**	**Growth (2013 - 2030)**
	Service Population	934,726	1,081,926	147,200
	**Childcare**	**2013**	**2020**	**Growth (2013 - 2020)**
	Service Population	N/A	N/A	N/A
	**Streetscape and Pedestrian Infrastructure**	**2013**	**2030**	**Growth (2013 - 2030)**
	Service Population	1,120,955	1,301,049	180,094
	**Bicycle**	**2013**	**2020**	**Growth (2013 - 2020)**
	Service Population	1,120,955	1,211,217	90,261
	**Transit**			
1	Service Population	N/A	N/A	N/A

Source: AECOM, 2013

CITYWIDE AND NEIGHBORHOOD POLICY DOCUMENTS

The following lists summarize the citywide and neighborhood-specific policy documents that were reviewed as part of the project effort. The policy documents served as a guide for the LOS metric and standard development. Full texts for the policy documents are included in a separate appendix file.

Citywide Policy and Planning Documents:

- FY 2009-10 Development Impact Fee Report (2009)
- San Francisco Citywide Development Impact Feed Register (January 2013)
- City & County of San Francisco Citywide Development Impact Fee Study (2008)
- Draft Capital Plan Fiscal Years 2014-2023 (2013)
- San Francisco Recreation & Open Space Element (2011)
- San Francisco Recreation and Park Department Acquisition Policy (2011)
- Child Care Nexus Study for City of San Francisco (2007)
- San Francisco Child Care Needs Assessment (2007)
- San Francisco Citywide Plan for Early Care and Education and Out of School Time (2012)
- San Francisco Better Streets Plan (2010)
- Walk First (2011)
- Financing San Francisco's Urban Forest (2012)
- San Francisco Bicycle Plan (2009)
- San Francisco Transportation Sustainability Fee Nexus Study (2012)
- San Francisco Transit Impact Development Fee (2011)

Neighborhood Specific Policy and Planning Documents:

- Eastern Neighborhoods Impact Fee and Affordable Housing Analysis (2008)
- Downtown San Francisco Park, Recreation, and Open Space Development Impact Fee Nexus Study (2012)
- The Market and Octavia Draft Community Improvements Program Document (2007)
- Rincon Hill Area Plan (of the General Plan) (2005)
- San Francisco Eastern Neighborhoods Nexus Study (2008)
- San Francisco General Plan Area Plans:
    - Balboa Park
    - Eastern Neighborhoods
    - Market and Octavia
    - Rincon Hill
    - Visitacion Valley
- Transit Center District Plan Transportation System Improvements Development Impact Fee Nexus Study (2012)
- Visitacion Valley Nexus Study (2010)
- Western SOMA Nexus Draft (2012)

CITYWIDE AGENCY STAKEHOLDERS

The findings in this report were developed in coordination with the following San Francisco agencies and stakeholders. AECOM relied on the agency stakeholders to provide feedback and guidance on the metrics and standards that were proposed either in existing policy documents, or based on additional research. All metrics and standards were ultimately approved by the agency stakeholders. All of the agencies and their respective stakeholders were identified by the client. Additional stakeholders were included as necessary.

Table 28. San Francisco Agency and Stakeholder Contributors

Infrastructure Type	San Francisco Agency	Key Stakeholders & Contacts
Recreation and Open Space Facilities	Recreation and Park Department (RPD)	• Karen Mauney-Brodek • Sue Exline (Planning Department) • Taylor Emerson • Stacy Bradley • Dawn Kamalanathan
Childcare Facilities	Office of Early Care and Education (OECE)	• Graham Dobson • Michelle Rutherford • Child Care Needs Assessment Committee
Streetscape and Pedestrian Infrastructure	Planning Department	• Adam Varat • Lily Langlois • Kearstin Dischinger
	Department of Public Works (DPW)	• Cristina Olea • Ananda Hirsch • John Dennis
Bicycle and Transit Infrastructure	Municipal Transportation Agency (MTA)	• Ariel McGinnis • Darton Ito • Grahm Satterwhite • Heath Maddox • Seleta Reynolds

Source: AECOM, 2013

METRIC AND MAP DATA SOURCES

Data sources used in the metrics and maps presented in this report include:

Table 29. Metric and Map Data Sources

Data	Data File Name	Source	Data Year
General Data			
Housing, population, and employment projections	LUA2012_JHC.lpk	Planning Department (Aksel Olsen, Planner/Geographer)	2012
Average household size	20130508_HHSizeByBuilding Size.xlsx	Planning Department (Aksel Olsen, Planner/Geographer)	*Current*
Census socioeconomic data	2010_Census_SanFrancisco. shp	Factfinder2.census.gov (American Fact Finder)	2010
Income levels by household size in San Francisco	2010 Maximum Income by Household Size	http://sf-moh.org/Modules/ShowDocument.aspx?documentid=4614	2010
Parks and Open Space			
Park acreage, location, ownership, and characteristics	OpenSpace.mdb	Planning Department (Mike Webster, Geographic Information Systems)	*Current*
Acreage and active/passive classification for RPD-owned parks	RPD_Parks.shp	Planning Department (Mike Webster, Geographic Information Systems)	*Current*
Childcare			
Licensed center-based childcare information	2.1Licensed ChildCare Capacity.xlsx	OECE (Graham Dobson, Administrative Analyst for ECE Policy)	2011
Family care center (FCC) childcare information	2.2FCCH Capacity.xlsx	OECE (Graham Dobson, Administrative Analyst for ECE Policy)	2011
Streetscape and Pedestrian Infrastructure			
Locations and characteristics of all traffic signals and flashing beacons maintained by SFMTA	Allsignals.shp	SFMTA (Gabriel Ho, Engineer)	*Current*
Sidewalk provision and widths	Stwidths.xls	DPW (Ananda Hirsch, Transportation Finance Analyst)	*Current*
Location of non-park trees	SFDPW_Trees.shp	Planning Department (Mike Webster, Geographic Information Systems)	*Current*
Street classifications	Streets_bsp.shp	Planning Department (Kearstin Dischinger, Senior Community Development Specialist)	*Current*
Intersection and injury information	PedVol.shp	SFMTA (Mari Hunter, Transit Planner)	2009 – 2010
Bicycle			
San Francisco bicycle network, with Comfort Index classifications (LTS 1 to 4)	ComfortIndex.shp	SFMTA (Andrew LEE, Senior Transportation Planner)	*Current*
Bicycle network in San Francisco, including Class I – III classifications	SFMTA Bikeway Network.shp	SFMTA (Charlie Ream, Urban Planner)	*Current*

Source: AECOM, 2013

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CASE STUDY TABLES

Table 30. Summary of Key Existing Quantitative LOS Provision by Case Study City

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Recreation and Open Space	• Over 200 city-owned parks • 6,600 acres of open space within city limits • 3,600 acres of active space	• Over 7000 acres of open space	• 5% land area devoted to open space (800 acres)	• N/A	• 60% of residents live within 10 minutes/0.5 mi of open space	• 70% of residents within 3 miles of full-service community center • 75% of residents within ½ mile of park	• 2.8 acres per 1,000 for neighborhood and community parks, subject to "equivalencies" as determined at the community plan level	• N/A	• 92% of residents live within 5 minutes of green space
Acres / 1000 Residents (FY 2011)[68] [Includes city, county, metro, state, or federal public parkland within the city limits]	• 6.6 acres / 1,000 residents (per Trust for Public Land Data) • 8.1 acres per 1,000 residents per RPD data	• 7.6 acres / 1,000 residents	• 2.8 acres / 1,000 residents	• 13.3 acres / 1,000 residents	• 7.2 acres / 1,000 residents	• 24.6 acres / 1,000 residents (Intermediate -Low density city)	• 35.9 acres / 1,000 residents (Intermediate -Low density city)	• 16.5 acres / 1,000 residents	• 6.97 acres / 1,000 residents (without regional parks)

[68] "Acres of Parkland per 1,000 Residents, by City." *The Trust for Public Land*. The Trust for Public Land, 2011. Web. 22 Jul. 2013. http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Annual Spending per Resident (FY 2011)[69] [Capital and operational expenses]	• $263 / resident	• $110 / resident	• $13 / resident	• $227 / resident	• $46 / resident	• $151 / resident	• $106 / resident	• $118 / resident	• $150 / resident
Childcare	• 2,951 licensed childcare spaces for infants and toddlers • 14,661 licensed childcare spaces for preschoolers	• N/A	• 3 daycares run by P&R (grant-funded)	• N/A	• N/A	• N/A	• N/A	• N/A	• 53 Childcare facilities • 19% of all children have access to public care
Streetscape and Pedestrian Infrastructure	• 105,000 existing street trees	• N/A	• N/A	• 92% of streets have sidewalks	• 131,000 existing street trees • 55 trees / mile of city street	• 17% of canopy coverage over streets • 1,900 miles of sidewalk	• 3.5% average pedestrian commute mode share • 5,000 miles of sidewalk	• N/A	• 138,000 street trees • 2,400 km of sidewalks

[69] "Total Spending on Parks and Recreation per Resident by City." *The Trust for Public Land*. The Trust for Public Land, 2011. Web. 22 Jul. 2013. http://cityparksurvey.tpl.org/reports/report_display.asp?rid=4http://cityparksurvey.tpl.org/reports/report_display.asp?rid=7

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Bicycle Infrastructure	• 216 miles of bike network • Current bicycle mode share of 3.5%	• Silver designation from the League of American Bicyclists' Bicycle Friendly Community program • >100 miles of bike network	• 17.12 miles of bike network • 1.6% of street network	• ~20% of streets have bike network (2012) • 128 miles of bike network (2009)	• 230 street miles of bike network	• >300 miles of bike network	• 511 miles of bike network	• 200 miles of bike network	• 280 miles of bike network • 100% of buses are bike-accessible
Miles of Bike Lane / 1,000 Residents (2010 census)	• 0.27	• 0.16	• 0.04	• 0.33	• 0.15	• 0.51	• 0.39	• 0.21	• 0.47
Miles of Bike Lane / 1,000 Residents / City Area (2010 census)	• 0.006	• 0.003	• 0.001	• 0.006	• 0.001	• 0.004	• 0.001	• 0.001	• 0.010
Transit Infrastructure	• Average 33.7 minutes per transit travel time	• N/A	• N/A	• N/A	• No citywide standard	•	• No citywide standard	• N/A	• N/A

Table 31. Summary of Key Quantitative LOS Goals by Case Study City (including San Francisco)

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Recreation and Open Space	• 10 minute / ½ mile access to open space for all residents • 0.5 acres / 1,000 residents within a ½ mile radius.	• N/A	• ¼ mile access to open space	• No quantitative goals	• 10 minute walk for 75% of residents by 2025 (0.5mi) • Add 500 acres by 2015 • 10 acres / 1,000 residents	• By 2020, 1,870 more acres of park • 100% of residents within 3 miles of a community center • 100% of residents w/in ½ mile of park	• 2.8 acres / 1,000 residents of neighborhood and community parks	• 31 acres / 1,000 residents • 3.5 acres of community serving parks / 1,000 residents	• 100% of residents within 5 min walk to green space, by 2020 • Plant 150,000 new trees by 2020
Childcare	• Few quantitative goals	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A	• N/A	• 500 new spaces by 2014
Streetscape and Pedestrian Infrastructure	• Few quantitative goals • Significant design guidelines and qualitative objectives • 160,000 street trees by 2030.	• Few quantitative goals • Complete the pedestrian network	• No quantitative goals	• No quantitative standards • Qualitative objectives, and design guidelines	• Reduce pedestrian accidents 50% by 2020 • Increase walk mode share from 8.6% to 12% by 2020 • Keep 70% of assets in good repair • Increase tree coverage to 30% (by adding 300,000 trees by 2025)	• Neighborhoods must maintain citywide average for % of arterials with sidewalks • 35% of canopy coverage over streets • 150 additional miles of trails.	• No quantitative goals	• 100% of non-rural portions of San Jose should have a continuous sidewalk network • Every street should be complete, accommodate pedestrian and bike	• Increase pedestrian mode share (66% of all trips to be by bike, walk, or transit by 2040) • By 2014, 2km of additional sidewalk • Plant 150,000 new trees by 2020

Infrastructure	San Francisco	Boston	Miami	Minneapolis	Philadelphia	Portland	San Diego	San Jose	Vancouver
Bicycle Infrastructure	• 250 miles at build-out, 200 being premium facilities • 50,000 bike parking spaces • 200 upgraded intersections • 3000+ bicycle / 300+ station bike share program • 8%-10% mode share by 2018-2020	• 417 miles at build-out • 10% of all trips by bike by 2025 • Plan to cover the entire city and connect to regional network	• 280 miles by 2030 (33% of street network with bikeways) • Obtain Bike Friendly City status	• No current LOS goals • Aim to pass Complete Streets Policy • Add 183 miles within in 30 years (= 311 miles)	• Reduce bike accidents 50% by 2020 • Increase bike mode share from 1.6% to 6.5% • League of American Bicyclists "Platinum" (2013) • 70% of assets in good repair • Reduce VMT by 10%	• 3% bike commuting trips • 630 miles of total bike network by 2030 • All areas must maintain citywide average for bike lane miles per 1,000 households	• 1,089.9 miles of proposed total bicycle network • Increased bicycle mode share	• 450 miles of bike facilities proposed	• Increase bike mode share • Expand 'all ages and abilities' bike network • Provide additional bike parking • 328 total miles in bike network as near-term goal
Bicycle miles / 1,000 Current Res. Goal[70]	• 0.27	• 0.68	• 0.70	• 0.81	• 0.36	• 1.08	• 0.83	• 0.48	• 0.54
Transit Infrastructure	• 85% transit crowding target • Average 33.6 minutes per transit travel time	• No quantitative goals	• No quantitative goals	• No quantitative goals	• No quantitative goals	• Transit load factor < 100% • 19% transit commuting trips	• Increased ridership, and having an attractive, convenient transit system • ~15% of transit trips shorter than 30 minutes (compared to 8% BAU)	• No quantitative goals	• Increase transit mode share

[70] Calculated from proposed bicycle network length and current population.

SOCIOECONOMIC INDICATORS BY NEIGHBORHOOD

Table 32. Unemployment Rate Among Civilian Workforce by Neighborhood (2010)

Neighborhood	Total % Unemployment /1
Bayview	13%
Bernal Heights	7%
Castro/Upper Market	6%
Chinatown	14%
Crocker Amazon	11%
Diamond Heights	6%
Downtown/Civic Center	10%
Excelsior	9%
Financial District	7%
Glen Park	7%
Golden Gate Park	6%
Haight Ashbury	5%
Inner Richmond	7%
Inner Sunset	4%
Lakeshore	7%
Marina	5%
Mission	6%
Nob Hill	7%
Noe Valley	5%
North Beach	7%
Ocean View	10%
Outer Mission	6%
Outer Richmond	7%
Outer Sunset	7%
Pacific Heights	4%
Parkside	8%
Potrero Hill	7%
Presidio	3%
Presidio Heights	5%
Russian Hill	9%
Seacliff	7%
South of Market	6%
Treasure Island/YBI	13%
Twin Peaks	6%
Visitacion Valley	12%
West of Twin Peaks	5%
Western Addition	6%
Citywide Average	**7%**
150% of Citywide Average	**11%**

Source: 2010 American Community Survey

1. XX Indicates value above 150 percent of citywide average

Table 33. Percentage of Households below 80 Percent of the Citywide Area Median Income (AMI) (2010)

Neighborhood	Total % HH BELOW 80% Citywide AMI /1
Bayview	68%
Bernal Heights	41%
Castro/Upper Market	38%
Chinatown	84%
Crocker Amazon	50%
Diamond Heights	42%
Downtown/Civic Center	84%
Excelsior	51%
Financial District	55%
Glen Park	40%
Golden Gate Park	47%
Haight Ashbury	41%
Inner Richmond	50%
Inner Sunset	40%
Lakeshore	52%
Marina	33%
Mission	54%
Nob Hill	61%
Noe Valley	34%
North Beach	53%
Ocean View	49%
Outer Mission	43%
Outer Richmond	47%
Outer Sunset	49%
Pacific Heights	31%
Parkside	40%
Potrero Hill	33%
Presidio	35%
Presidio Heights	41%
Russian Hill	50%
Seacliff	36%
South of Market	51%
Treasure Island/YBI	68%
Twin Peaks	37%
Visitacion Valley	64%
West of Twin Peaks	31%
Western Addition	57%
Citywide Average	**50%**

Source: 2010 American Community Survey

1. XX Indicates value above citywide average

Table 34. Percentage of Children and Elderly by Neighborhood (2010)

Neighborhood	Population 0-14 /1	Population 65+ /1
Bayview	20%	11%
Bernal Heights	14%	11%
Castro/Upper Market	6%	10%
Chinatown	8%	26%
Crocker Amazon	15%	15%
Diamond Heights	13%	18%
Downtown/Civic Center	6%	13%
Excelsior	15%	15%
Financial District	6%	19%
Glen Park	14%	14%
Golden Gate Park	7%	9%
Haight Ashbury	9%	8%
Inner Richmond	11%	14%
Inner Sunset	11%	12%
Lakeshore	10%	14%
Marina	8%	13%
Mission	11%	9%
Nob Hill	5%	17%
Noe Valley	12%	10%
North Beach	8%	18%
Ocean View	14%	13%
Outer Mission	15%	14%
Outer Richmond	12%	17%
Outer Sunset	12%	16%
Pacific Heights	9%	14%
Parkside	13%	17%
Potrero Hill	13%	8%
Presidio	19%	4%
Presidio Heights	13%	18%
Russian Hill	6%	20%
Seacliff	14%	20%
South of Market	6%	10%
Treasure Island/YBI	14%	1%
Twin Peaks	8%	19%
Visitacion Valley	18%	13%
West of Twin Peaks	15%	18%
Western Addition	7%	16%
Citywide Average	**11%**	**14%**
150% Citywide Average	**17%**	**20%**

Source: 2010 U.S. Census

1. XX Indicates value above 150 percent of citywide average

Table 35. Percentage of Non-White (Minority) Population by Neighborhood (2010)

	% of Non-White (Minority) Population /1
Bayview	87%
Bernal Heights	42%
Castro/Upper Market	20%
Chinatown	81%
Crocker Amazon	79%
Diamond Heights	37%
Downtown/Civic Center	54%
Excelsior	74%
Financial District	58%
Glen Park	27%
Golden Gate Park	39%
Haight Ashbury	23%
Inner Richmond	49%
Inner Sunset	42%
Lakeshore	52%
Marina	16%
Mission	43%
Nob Hill	49%
Noe Valley	23%
North Beach	46%
Ocean View	78%
Outer Mission	68%
Outer Richmond	56%
Outer Sunset	65%
Pacific Heights	19%
Parkside	63%
Potrero Hill	35%
Presidio	23%
Presidio Heights	26%
Russian Hill	42%
Seacliff	43%
South of Market	53%
Treasure Island/YBI	65%
Twin Peaks	33%
Visitacion Valley	86%
West of Twin Peaks	41%
Western Addition	43%
Citywide Average	**52%**

Source: 2010 U.S. Census

1. XX Indicates value above citywide average

CHILDCARE DEMAND CALCULATIONS

Table 36: Existing (2013) Childcare Demand for Infant/Toddler Care (0-2)

*	Measure	Value	Source/Calculation
Total Resident-Children			
A	Total resident-children (0-2)	21,900	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Resident-Children (0-2) Needing Care Outside of San Francisco			
B	Total Employed San Francisco Residents	446,800	U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C	% Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D	Total employed San Francisco Residents working outside San Francisco	100,530	B * C
E	% of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F	Resident-children needing childcare outside of San Francisco	5,027	D * E
G	% of children ages 0-2	51%	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13; assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H	Resident-children (0-2) needing childcare outside of San Francisco	2,544	F * G
Resident-Children (0-2) Needing Care in San Francisco			
I	Total resident-children (0-2) potentially needing childcare	19,356	A - H
J	Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K	Children with working parents	11,200	I * J
L	% children (0-2) with working parents needing licensed care	37%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M	**Total resident-children (0-2) needing licensed care in San Francisco**	**4,144**	K * L
Non-Resident Children (0-2) Needing Care in San Francisco			
N	Employees that live elsewhere but work in San Francisco	154,000	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O	Estimated % of non-resident employees needing licensed childcare	5%	As above (E)
P	Children needing licensed childcare	7,700	N * O
Q	% of children ages 0 - 2	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R	**Non-resident employee's children (0-2) needing care in San Francisco**	**3,861**	P * Q
Total Children (0-2) Needing Care in San Francisco			
S	Total children (0-2) needing licensed care in San Francisco	8,005	M + R
Existing Supply			
T	Current available spaces for children aged 0-2	2,951	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Existing LOS			
% of demand met by existing slots		**37%**	T / S

Table 37: Existing (2013) Childcare Demand for Preschooler Care (3-5)

*	Measure	Value	Source/Calculation
Total Resident-Children			
A	Total resident-children (3-5)	21,300	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Resident-Children (3-5) Needing Care Outside of San Francisco			
B	Total Employed San Francisco Residents	446,800	U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C	% Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D	Total employed San Francisco Residents working outside San Francisco	100,530	B * C
E	% of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F	Resident-children needing childcare outside of San Francisco	5,027	D * E
G	% of children ages 3-5	49%	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13; assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H	Resident-children (3-5) needing childcare outside of San Francisco	2,483	F * G
Resident-Children (3-5) Needing Care in San Francisco			
I	Total resident-children (3-5) potentially needing childcare	18,800	A - H
J	Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K	Children with working parents	10,878	I * J
L	% children (3-5) needing licensed care	100%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M	**Total resident-children (3-5) needing licensed care in San Francisco**	**10,878**	K * L
Non-Resident Children (3-5) Needing Care in San Francisco			
N	Employees that live elsewhere but work in San Francisco	154,000	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O	Estimated % of non-resident employees needing licensed childcare	5%	As above (see E)
P	Children needing licensed childcare	7,700	N * O
Q	% of children ages 3-5	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R	**Non-resident employee's children (3-5) needing care in San Francisco**	**3,839**	P * Q
Total Children (3-5) Needing Care in San Francisco			
S	Total children (3-5) needing licensed care in San Francisco	14,717	M + R
Existing Supply			
T	Current available spaces for children (3-5)	14,661	Michele Rutherford, Program Manager for San Francisco Human Services Agency via email to Harriet Ragozin (KMA) on 11/15/13
Existing LOS			
% of demand met by existing slots		**99.6%**	T / S

Table 38: Future (2020) Childcare Demand for Infant/Toddler Care (0-2)

*	Measure	Value	Source/Calculation
Total Resident-Children			
A	Total resident-children (0-2)	29,600	Planning Department population projections (as per Aksel Olsen, Geographer/Planner) times proportion of infants/toddlers based on Department of Finance projections (Report P-3)
Resident-Children (0-2) Needing Care Outside of San Francisco			
B	Total Employed San Francisco Residents	483,200	Employment projections from the San Francisco Planning Department (as per Aksel Olsen, Geographer/Planner), assuming the resident/non-resident employment split from the U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C	% Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D	Total employed San Francisco Residents working outside San Francisco	108,720	B * C
E	% of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F	Resident-children needing childcare outside of San Francisco	5,436	D * E
G	% of children ages 0-2	56%	Planning Department population projections (as per Aksel Olsen, Geographer/Planner) ;Department of Finance projections (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H	Resident-children (0-2) needing childcare outside of San Francisco	3,043	F * G
Resident-Children (0-2) Needing Care in San Francisco			
I	Total resident-children (0-2) potentially needing childcare	26,600	A - H
J	Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K	Children with working parents	15,391	I * J
L	% children (0-2) with working parents needing licensed care	37%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M	**Total resident-children (0-2) needing licensed care in San Francisco**	**5,695**	K * L
Non-Resident Children (0-2) Needing Care in San Francisco			
N	Employees that live elsewhere but work in San Francisco	194,300	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O	Estimated % of non-resident employees needing licensed childcare	5%	As above (E)
P	Children needing licensed childcare	9,715	N * O
Q	% of children ages 0 - 2	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R	**Non-resident employee's children (0-2) needing care in San Francisco**	**4,839**	P * Q
Total Children (0-2) Needing Care in San Francisco			
S	Total children (0-2) needing licensed care in San Francisco	10,534	M + R

Table 39: Future (2020) Childcare Demand for Preschooler Care (3-5)

*	Measure	Value	Source/Calculation
Total Resident-Children			
A	Total resident-children (3-5)	23,300	Planning Department population projections (as per Aksel Olsen) times proportion of infants/toddlers based on Department of Finance projections (Report P-3)
Resident-Children (3-5) Needing Care Outside of San Francisco			
B	Total Employed San Francisco Residents	483,200	Employment projections from the San Francisco Planning Department (as per Aksel Olsen, Geographer/Planner), assuming the same split of resident-employees versus non-resident-employees as the U.S. Census Bureau, 2009-2011 American Community Survey; DP03
C	% Employed Residents working outside of San Francisco	23%	U.S. Census Bureau, 2009-2011 American Community Survey; S0801
D	Total employed San Francisco Residents working outside San Francisco	108,720	B * C
E	% of total employed San Francisco Residents working outside San Francisco, who need childcare outside San Francisco	5%	Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study (as cited in Table 6 of Child Care Nexus Study for San Francisco by Brion & Associates); assumes one child needing care per employee
F	Resident-children needing childcare outside of San Francisco	5436	D * E
G	% of children ages 3-5	44%	Planning Department population projections (as per Aksel Olsen, Geographer/Planner); Department of Finance projections (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
H	Resident-children (3-5) needing childcare outside of San Francisco	2,393	F * G
Resident-Children (3-5) Needing Care in San Francisco			
I	Total resident-children (3-5) potentially needing childcare	20,907	A - H
J	Average labor force participation rate of parents	58%	Bureau of Labor Statistics (Table 4)
K	Children with working parents	12,097	I * J
L	% children (3-5) with working parents needing licensed care	100%	Table 7 of Child Care Nexus Study for San Francisco by Brion & Associates (based on a detailed review of 12 child care studies, including impact fee studies; demand factors developed in concert with Dept. of Human Services and DCYP)
M	**Total resident-children (3-5) needing licensed care in San Francisco**	**12,097**	K * L
Non-Resident Children (3-5) Needing Care in San Francisco			
N	Employees that live elsewhere but work in San Francisco	194,300	San Francisco Planning Department employment projections (as per Aksel Olsen, Geographer/Planner); U.S. Census Bureau, 2009-2011 American Community Survey; DP03
O	Estimated % of non-resident employees needing licensed childcare	5%	As above (see E)
P	Children needing licensed childcare	9,715	N * O
Q	% of children ages 3-5	50%	Department of Finance (Report P-3); assumes that school age children have care near home or school and all resident-children needing care outside of San Francisco are either infants/toddlers or preschoolers
R	**Non-resident employee's children (3-5) needing care in San Francisco**	**4,876**	P * Q
Total Children (3-5) Needing Care in San Francisco			
S	Total children (3-5) needing licensed care in San Francisco	16,973	M + R

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

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

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

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

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. ___ and is incorporated herein by reference. The Board of Supervisors hereby affirms this determination.

(b) On _____, the Planning Commission, in Resolution No. _____, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the

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

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

Section 2. The Planning Code is hereby amended by adding Section 401A and revising Sections 404, 412.1, 414.1, 418.1, 418.5, 420.1, 420.6, 421.1, 421.5, 422.1, 422.5, 423.1, 423.5, 424.1, and 424.5 to read as follows:

SEC. 401A. FINDINGS.

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

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

*(2) **Timing of fee collection**. For any of the fees in this Article IV collected prior to the issuance of the certificate of occupancy, the Board of Supervisors makes the following findings set*

forth in California Government Code Section 66007(b): the Board of Supervisors finds, based on information from the Planning Department in Board File No. _____, that it is appropriate to require the payment of the fees in Article IV at the time of issuance of the first construction document because the fee will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the City has adopted a proposed construction schedule or plan prior to the final inspection or issuance of the certificate of occupancy or because the fee is to reimburse the City for expenditures previously made for such public improvements or facilities.

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

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

the fee and the cost of the public facility or portion of the facility attributable to the development. Specifically, as discussed in more detail in and supported by the Nexus Analysis and Infrastructure Level of Service Analysis the Board adopts the following findings:

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

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

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

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

*(D) **Proportionality.** The new facilities and costs allocated to new development are based on the existing ratio of the City's service population to a conservative estimate of its current recreation and open space capital expenditure to date. The scale of the capital facilities and associated costs are proportional to the projected levels of new development and the existing relationship between service population and recreation and open space infrastructure. The cost of the*

deferred maintenance required to address any operational shortfall within the City's recreation and open space provision will not be financed by development fees.

*(2) **Childcare Findings:***

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

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

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

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

*(3) **Streetscape and Pedestrian Infrastructure Findings**: The instrastructure covered by Pedestrian and Bicycle Infrastructure and Bicycle Infrastructure may be referred to in certain Area Plans collectively as "Complete Streets Infrastructure."*

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

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

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

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

*(4) **Bicycle Infrastructure Findings**: The instrastructure covered by Pedestrian and Bicycle Infrastructure and Bicycle Infrastructure may be referred to in certain Area Plans collectively as "Complete Streets Infrastructure."*

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

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

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

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

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

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

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

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

(b) **Resolution of Development Fee or Development Impact Requirement Dispute; Appeal to Board of Appeals**. If a dispute or question arises concerning the accuracy of the final Project Development Fee Report, including the calculation of any development fee listed thereon, the dispute shall be resolved or appealed to the Board of Appeals in accordance with Section 107A.13.9 of the San Francisco Building Code. The jurisdiction of the Board shall be strictly limited to determining the accuracy of the Report and the mathematical calculation of the development fee or scope of the physical or "in-kind" requirement. The Board has no jurisdiction to: (~~i~~1) review the scope or amount of the development fee or requirement established by the Code, (~~ii~~2) reduce, adjust, or waive a

development fee or requirement on the ground that there is no reasonable relationship or nexus between the impact of development and either the amount of the fee charged or the physical requirement, (*3~~iii~~*) reduce or waive the development fee or requirement based on housing affordability, duplication of fees, or any other issue related to fairness or equity, or (*4~~iv~~*) review the nexus studies that support the development fee or requirement and the City's legal authority to impose it.

(c) **Public Notice of the Project Development Fee Report**. Any public notice issued by the Department of an approval action on a development project that is subject to a development fee or a development requirement under this Article shall notify the public of a right to request a copy of the Project Development Fee Report from the Development Fee Collection Unit at DBI. In addition to this notice, DBI shall provide final notice of the availability of the Project Development Fee Report as part of its standard notice of the issuance of a building or site permit for any project and of the right to appeal the accuracy of the Project Development Fee Report to the Board of Appeals as part of the underlying building or site permit in accordance with Section 107A.13.9 of the San Francisco Building Code.

SEC. 409. CITYWIDE DEVELOPMENT FEE REPORTING REQUIREMENTS AND COST INFLATION FEE ADJUSTMENTS.

(a) **Citywide Development Fee and Development Impact Requirements Report.** In coordination with the Development Fee Collection Unit at DBI and the Planning Director, the Controller shall issue a report within 180 days after the end of each even numbered year fiscal year1, that provides information on all development fees established in the San Francisco Planning Code collected during the prior two fiscal years organized by development fee account and all cumulative monies collected over the life of each development fee account, as well as all monies expended. *The report shall include: (1) a description of the type of*

fee in each account or fund; (2) the beginning and ending balance of the accounts or funds including any bond funds held by an outside trustee; (3) the amount of fees collected and interest earned; (4) an identification of each public improvement on which fees or bond funds were expended and amount of each expenditure; (5) an identification of the approximate date by which the construction of public improvements will commence; (6) a description of any inter-fund transfer or loan and the public improvement on which the transferred funds will be expended; and (7) the amount of refunds made and any allocations of unexpended fees that are not refunded. The report shall also provide information on the number of projects that elected to satisfy development impact requirements through the provision of "in-kind" physical improvements, including on-site and off-site BMR units, instead of paying development fees. The report shall also include any annual reporting information otherwise required pursuant to the California Mitigation Fee Act, Government Code 66001 et seq. The report shall be presented by the Planning Director to the Planning Commission and to the Land Use & Economic Development Committee of the Board of Supervisors. The Report shall also contain information on the Controller's annual construction cost inflation adjustments to development fees described in subsection (b) below, as well as information on MOH's separate adjustment of the Jobs-Housing Linkage and Inclusionary Affordable Housing fees described in Sections 413.6(b) and 415.5(b)(3).

* * * *

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

*(a) **Purpose.*** Existing public park facilities located in the downtown office districts are at or approaching capacity utilization by the daytime population in those districts. The need for additional public park and recreation facilities in the downtown districts will increase as the daytime population increases as a result of continued office development in those areas. While the open space requirements imposed on individual office and retail

developments address the need for plazas and other local outdoor sitting areas to serve employees and visitors in the districts, such open space cannot provide the same recreational opportunities as a public park. In order to provide the City and County of San Francisco with the financial resources to acquire and develop public park and recreation facilities which will be necessary to serve the burgeoning daytime population in these districts, a Downtown Park Fund shall be established as set forth herein. ~~*The Board of Supervisors adopts the findings of the Downtown Open Space Nexus Study in accordance with the California Mitigation Fee Act, Government Code 66001(a) on file with the Clerk of the Board in File No. _____.*~~

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

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

*(a) **Purpose**. Office, hotel, and other new commercial developments in the City are benefitted by the availability of childcare for persons employed in such developments close to their place of employment. However, the supply of childcare in the City has not kept pace with the demand for childcare created by new employees. Due to this shortage of childcare, employers will have difficulty in securing a labor force, and employees unable to find accessible and affordable quality childcare will be forced either to work where such services are available outside of San Francisco or*

leave the work force entirely, in some cases seeking public assistance to support their children. In either case, there will be a detrimental effect on San Francisco's economy and its quality of life.

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

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

~~*The Board hereby finds and declares as follows:*~~

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

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

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

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

~~*E. Presently, there exists a scarcity of child care in the C-3 District and citywide for all income groups, but the scarcity is more acutely felt by households of low and moderate income. Hearings held on April 25, 1985 before the Human Services Committee of the San Francisco Board of Supervisors documented the scarcity of child care available in the C-3 District, the impediments to child care program startup and expansion, the increase in the numbers of children needing care, and the acute shortage of supply throughout the Bay Area. The Board of Supervisors also takes legislative notice of the existing and projected shortage of child care services in the City as documented by the*~~

~~*Child Care Information Kit prepared by the California Child Care Resources and Referral Network located in San Francisco.*~~

~~*F. The scarcity of child care in the City is due in great part to large office and hotel development, both within the C-3 District and elsewhere in the City, which has attracted and will continue to attract additional employees and residents to the City. Some of the employees attracted to large office and hotel developments are competing with present residents for the few openings in child care programs available in the City. Competition for child care generates the greatest pressure on households of low and moderate income. At the same time that large office and hotel development is generating an increased demand for child care, it is improbable that factors inhibiting increased supply of child care will be mitigated by the marketplace; hence, the supply of child care will become increasingly scarce.*~~

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

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

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

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

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

~~*A. The population of California has grown by more than 11 percent since 1990 and is expected to continue increasing. The San Francisco Bay Area is growing at a rate similar to the rest of the State.*~~

~~*New residential construction in San Francisco is necessary to accommodate the additional population. At the same time, new residential construction should not diminish the City's open space or increase dependence on the private automobile for commuting.*~~

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

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

~~*Many elements constrain housing production in the City, making it a challenge to build housing that is affordable to those at moderate income levels. San Francisco is largely built out, and its geographical location at the northern end of a peninsula inherently prevents substantial new development. There is no available adjacent land to be annexed, as the cities located on San Francisco's southern border are also dense urban areas. Thus, new construction of housing is limited to areas of the City not previously designated as residential areas, infill sites, or areas with increased density. New market rate housing absorbs a significant amount of the remaining supply of land and other resources available for development and thus limits the supply of affordable housing.*~~

~~*Emerging downtown residential areas of the City contain many older commercial, institutional and industrial uses. Due to the underutilization of land in these areas and their proximity to downtown employment and City and regional transport, they present an opportunity to build a quantity of new housing at increased densities within easy walking distance of the downtown and City and regional*~~

~~transit centers in a way that can contribute to a vibrant downtown community over the next several years. The Planning Department is currently rezoning these areas to a "Downtown Residential" (DTR) zoning that will enable significant new high-density residential development. These areas are lacking, however, in even basic infrastructure and amenities necessary to serve a residential population, and the need for these improvements will increase as the downtown's residential population, especially families and children, grow with the transformation of these areas into dense mixed-use residential districts. While the open space requirements imposed on individual developments address minimum needs for private open space and access to light and air, such open space cannot provide the same social and recreational opportunities as safe and attractive public sidewalks, parks and other community services, nor does it contribute to the overall transformation of the district into a safe and attractive residential area.~~

~~In order to enable the City and County of San Francisco to create a coherent, attractive, and safe residential neighborhood in these emerging downtown residential areas, and to increase property values and investment in the district, it is necessary to upgrade existing streets and streetscaping, and to acquire and develop neighborhood parks, recreation facilities and other community services to serve the new residential population. To fund such community infrastructure and amenities, new residential development in the district shall be assessed development impact fees proportionate to the increased demand for such infrastructure and amenities created by the new housing. The City will use the proceeds of the fee to build new infrastructure and enhance existing infrastructure in the district or within 250 feet of the district that provides direct benefits to the new housing. The net increase in individual property values in these areas due to the enhanced neighborhood amenities financed with the proceeds of the fee are expected to exceed the payments of fees by the sponsors of residential development. A Community Improvements Impact Fee shall be established for DTR districts as set forth herein.~~

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

~~*The amendments to the General Plan, Planning Code and Zoning Map that correspond to Section 418.1 et seq. will permit an extraordinary amount of new residential development. More than 2,220 new units representing approximately 5,100 new residents would be anticipated in the neighborhood, and along with other approved projects, will result in a 400% increase in the area's residential population. This new development will have an extraordinary impact on the district's dated infrastructure. As described more fully in the Rincon Hill Plan Final Environmental Impact Report, San Francisco Planning Department, Case No. 2000.1081E, 2005 on file with the Clerk of the Board in File No. 050865, new development will also generate substantial new traffic in the area, which will impact the area. The Rincon Hill Plan proposes to mitigate these impacts by providing extensive pedestrian, traffic calming and other streetscape improvements that will make it attractive to residents to make as many daily trips as possible on foot, by bicycle or on transit. A comprehensive program of new public infrastructure is necessary to mitigate the impacts of the proposed new development and to provide these basic community improvements to the area's growing residential population.*~~

~~*As a result of this new development, property tax revenue is expected to increase by as much as $29 million annually in Rincon Hill. These revenues will fund improvements and expansions to general*~~

~~*City services, including Police, Fire, Emergency, and other services needed to partially meet increased demand associated with new development. Local impacts on the need for community infrastructure will be extraordinary in Rincon Hill, compared to those typically funded by city government through property tax revenues. The relative cost of capital improvements, along with the reduced role of State and Federal funding sources, increases the necessity for development impact fees to cover these costs. General property tax revenues will not be adequate to fully fund the costs of the community infrastructure necessary to mitigate the impacts of new development in the Rincon Hill area.*~~

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

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

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

~~*The capital improvements, which the fee would fund, are clearly described in Section 418.1 et seq., and in Table 1 below. The fee would be used solely to fund the acquisition, design, and construction, and maintenance of public facilities in DTR Districts, and specifically in the Rincon Hill*~~

~~area. The proposed fees only cover impacts caused by new development and are not intended to remedy already existing deficiencies; those costs will be paid for by other sources.~~

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

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

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

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

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

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

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

~~Specific capital improvements to mitigate the impact of new residential development in Rincon Hill are proposed and detailed cost estimates have been developed. These are described in Table 1.~~

~~*Table 1*~~

~~*Cost Summary of the Proposed Rincon Hill Community Infrastructure Improvements*~~

~~*Total Unit Potential Under the Proposed Rezoning*~~	~~*2,220*~~
~~*Average Unit Size (net SF)*~~	~~*925*~~
~~*Total Occupiable Residential SF (net SF)*~~	~~*2,053,500*~~
~~*Mitigation*~~	~~*Cost*~~
~~*Living Street Open Space Improvements*~~	~~*$ 5,924,406*~~
~~*Pedestrian Safety and Streetscape Improvements*~~	~~*3,883,953*~~
~~*Traffic Calming to Residential Alleys*~~	~~*1,381,000*~~
~~*Rincon Hill Park*~~	~~*12,866,052*~~
~~*Essex Hillside Park*~~	~~*472,050*~~
~~*Sailor's Union of the Pacific Community Center*~~	~~*2,500,000*~~
~~*Library Services*~~	~~*601,718*~~
~~*Gross Cost of Community Facility Improvements*~~	~~*$ 27,629,179*~~
~~*Less Current Requirements for Street Improvements*~~	~~*(1,701,679)*~~
~~*Net Cost of Community Facility Improvements*~~	~~*$25,927,499.81*~~

~~Average Cost per Occupiable Residential SF~~	~~$ 12.63~~
~~SF Planning Department, April 2005~~	

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

~~E. Section 418.1 et seq. imposes the following fee structure.~~

~~Table 2~~

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

	~~All Projects~~
~~No. of Units~~	~~2,220~~
~~Total Occ. Res. SF**~~	~~2,109,000~~
~~Fee Rate/Occ. Res. SF~~	~~$ 11.00~~
~~Projected Fee Revenue~~	~~$ 23,199,000~~
~~**Assumes an average of 925 net SF per unit~~	

~~*SF Planning Department, April 2005*~~

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

~~*Open Space: The San Francisco General Plan contains the following objectives and policies that call for the provision of streetscape parks and community facilities improvements to serve San Francisco's residential population: Recreation and Open Space Element Objective 2 (Develop and maintain a diversified and balanced citywide system of high quality public open space); Policy 2.1 (Provide an adequate total quantity and equitable distribution of public open spaces throughout the City); Policy 2.7 (Acquire additional open space for public use), Objective 4 (Provide opportunities for recreation and the enjoyment of open space in every San Francisco neighborhood), Policy 4.4 (Acquire and develop new public open space in existing residential neighborhoods, giving priority to areas which are most deficient in open space), Policy 4.6 (Assure the provision of adequate public open space to serve new residential development), and Urban Design Element Policy 4.8 (Provide convenient access to a variety of recreation opportunities).*~~

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

~~*Additionally, the General Plan contains standards for the distribution of public open space. Areas within acceptable walking distance of open space include areas within ½ mile of a "Citywide"*~~

~~*open space (1 - 1,000 acres), mile of a "District" open space (>10 acres), ¼ mile of a "Neighborhood" open space (1 - 10 acres), and mile of a "Subneighborhood" open space (< 1 acre).*~~

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

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

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

~~*Streetscape Improvements: The proposed pedestrian and streetscape improvements would increase the amount of useable open space in Rincon Hill, improve pedestrian safety, reduce automobile trips and therefore mitigate traffic impacts expected in the district. Policy 4.11 of the Urban Design Element states, "Make use of street space and other unused public areas for recreation," and continues: "Walking along neighborhood streets is the common form of recreation. The usefulness of streets for this purpose can in many cases be improved by widening of sidewalks and installation of simple improvements such as benches and landscaping. Such improvements can often be put in place*~~

~~*without narrowing of traffic lanes by use of parking bays with widening of sidewalks at the intersections and at other points unsuitable for parking. Streets that have roadways wider than necessary, and streets that are not developed for traffic because of their steepness, provide exceptional opportunities for recreation. These areas can be developed with playgrounds, sitting areas, viewpoints and landscaping that make them neighborhood assets and increase the opportunities for recreation close to the residents' homes."*~~

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

~~*In Rincon Hill, which will be deficient in open space when built out as a residential neighborhood, and where available land for new open space is scarce, excess street space that can be used for open space forms an important component of the open space system. A portion of the funds collected from the Rincon Hill Community Infrastructure Impact Fee would be used to widen sidewalks on streets with excess roadway width, and use this space for recreation and open space amenities, helping to alleviate the open space need brought about by new development.*~~

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

~~*Community Facilities: The Community Facilities Element of the General Plan contains the following relevant provisions: Objective 3 (Assure that Neighborhood Residents Have Access to Needed Services and a Focus for Neighborhood Activities), Policy 3.1 (Provide neighborhood centers*~~

~~*in areas lacking adequate community facilities, Policy 3.3 (Develop centers to serve an identifiable neighborhood), Policy 3.4 (Locate neighborhood centers so they are easily accessible and near the natural center of activity), and Policy 3.5 (Develop neighborhood centers that are multipurpose in character, attractive in design, secure and comfortable, and inherently flexible in meeting the current and changing needs of the neighborhood served.*~~

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

~~*A portion of the funds from the Rincon Hill Community Infrastructure Impact Fee would pay for tenant improvements to the Sailor's Union of the Pacific Building at 450 Harrison Street, for spaces within the building that would be used for public community arts, education and recreation facilities. National and international best practices identify the need to provide community facilities to serve residential areas, especially in areas rezoned for high-density housing without existing community infrastructure. Vancouver, B.C. has established service standards for the provision of community facilities in high-density residential areas. The Department has determined that the community facilities proposed in Rincon Hill are consistent with these standards. Rincon Hill is currently deficient in community facilities; this condition will be exacerbated when the residential population of the area increases over time. Funds from the Community Infrastructure Impact Fee would be used to directly fund a new community center that would alleviate the deficiency brought about by the demand generated from new residents, by creating a public recreation, arts, and education facility accessible to all Rincon Hill residents.*~~

~~*Library Services: New residents in Rincon Hill will generate a substantial new need for library services. The San Francisco Public Library has indicated that it does not anticipate adequate demand for a branch library in Rincon Hill at this time. However, the increase in population in Rincon Hill will create additional demand at other libraries, primarily the Main Library and the new Mission Bay branch library. The Rincon Hill Community Infrastructure Impact Fee includes a funding for*~~

~~*library services equal to $69 per new resident, which is consistent with the service standards used by the San Francisco Public Library for allocating resources to neighborhood branch libraries.*~~

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

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

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

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

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

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

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

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

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

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

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

~~The California Legislature requires each local government agency to develop a comprehensive long-term general plan establishing policies for future development. As specified in the Government Code (at Sections 65300, 65302(c), and 65583(c)), the plan must (1) "encourage the development of a variety of types of housing for all income levels, including multifamily rental housing"; (2) "[a]ssist in the development of adequate housing to meet the needs of low- and moderate-income households": and (3) "conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action."~~

~~2. San Francisco faces a continuing shortage of affordable housing for very low and low-income residents. The San Francisco Planning Department reported that for the four year period between 2000 and 2004, 8,389 total new housing units were built in San Francisco. This number includes 1,933 units for low and very low-income households out of a total need of 3,930 low and very low-income housing units for the same period. According to the state Department of Housing and Community Development, there will be a regional need for 230,743 new housing units in the nine Bay Area counties from 1999-2006. Of that amount, at least 58 percent, or 133,164 units, are needed for moderate, low and very low-income households. The Association of Bay Area Governments (ABAG) is responsible for dividing the total regional need numbers among its member governments which includes both counties and cities. ABAG estimates that San Francisco's low and very low-income housing production need from 1999 through 2006 is 7,370 units out of a total new housing need of 20,372 units, or 36% of all units built. Within the past four years, only 23% of all housing built, or 49% of the previously projected housing need for low and very low-income housing for the same period, was~~

~~*produced in San Francisco. The production of moderate income rental units also fell short of the ABAG goal. Only 351 moderate income units were produced over the previous four years, or 4% of all units built, compared to ABAG's call for 28% of all units to be affordable to households of moderate income. Given the need for 3,007 moderate income units over the 4-year period, only 12% of the projected need for moderate income units was built.*~~

~~*3. In response to the above mandate from the California Legislature and the projections of housing needs for San Francisco, San Francisco has instituted several strategies for producing new affordable housing units. The 2004 Housing Element of the General Plan recognizes the need to support affordable housing production by increasing site availability and capacity for permanently affordable housing through the inclusion of affordable units in larger market rate housing projects. Further, the City, as established in the General Plan, seeks to encourage the distribution of affordable housing throughout all neighborhoods and, thereby, offer diverse housing choices and promote economic and social integration. The 2004 Housing Element calls for an increase in the production of new affordable housing and for the development of mixed income housing to achieve social and cultural diversity. This legislation furthers the goals of the State Legislature and the General Plan.*~~

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

~~density. New market-rate housing absorbs a significant amount of the remaining supply of land and other resources available for development and thus limits the supply of affordable housing.~~

~~There is a great need for affordable rental and owner-occupied housing in the City. Housing cost burden is one of the major standards for determining whether a locality is experiencing inadequate housing conditions, defined as households that expend 30% or more of gross income for rent or 35% or more of household income for owner costs. The 2000 Census indicates that 64,400 renter households earning up to 80% of the area median income are cost burdened. Of these, about 25,000 households earn less than 50% AMI and pay more than 50% of their income to rent. According to more recent data from the American Housing Survey, 80,662 total renter households, or 41%, are cost burdened in 2003. A significant number of owners are also cost burdened. According to 2000 Census data, 18,237 of owners are cost-burdened, or 23% of all owner households. The 2003 American Housing Survey indicates that this level has risen to 29%.~~

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

~~These factors contribute to a heavy demand for affordable housing in the City that the private market cannot meet. Each year the number of market rate units that are affordable to low income households is reduced by rising market rate rents and sales prices. The number of households benefiting from rental assistance programs is far below the need established by the 2000 Census. Because the shortage of affordable housing in the City can be expected to continue for many years, it is~~

~~necessary to maintain the affordability of the housing units constructed by housing developers under this Program. The 2004 Housing Element of the General Plan recognizes this need. Objective 1 of the Housing Element is to provide new housing, especially permanently affordable housing, in appropriate locations which meets identified housing needs and takes into account the demand for affordable housing created by employment demand. Objective 6 is to protect the affordability of existing housing, and to ensure that housing developed to be affordable be kept affordable for 50-75 year terms, or even longer if possible.~~

~~In 2004 the National Housing Conference issued a survey entitled "Inclusionary Zoning: The California Experience." The survey found that as of March 2003, there were 107 cities and counties using inclusionary housing in California, one fifth of all localities in the state. Overall, the inclusionary requirements were generating large numbers of affordable units. Only six percent of jurisdictions reported voluntary programs, and the voluntary nature appears to compromise the local ability to guarantee affordable housing production. While there was a wide range in the affordability percentage requirements for inclusionary housing, the average requirement for affordability in rental developments is 13%. Approximately half of all jurisdictions require at least 15% to be affordable, and one-quarter require 20% or more to be affordable.~~

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

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

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

~~8. Conditional Use and Planned Unit Development Permits permit the development of certain uses not permitted as of right in specific districts or greater density of permitted residential uses. As the General Plan recognizes, through the conditional use and planned unit development process, applicants for housing projects generally receive material economic benefits. Such applicants are generally permitted to build in excess of the generally applicable black letter requirements of the Planning Code for housing projects resulting in increased density, bulk, or lot coverage or a reduction in parking or other requirements or an approval of a more intensive use over that permitted without the conditional use permit or planned unit development permit. Through the conditional use and planned~~

~~*unit development process, building standards can be relaxed in order to promote lower cost home construction. An additional portion of San Francisco's affordable housing needs can be supplied (with no public subsidies or financing) by private sector housing developers developing inclusionary affordable units in their large market rate projects in exchange for the density and other bonuses conferred by conditional use or planned unit development approvals, provided it is financially attractive for private sector housing developers to seek such conditional use and/or planned unit development approvals. In the Rincon Hill context, the City is conferring the traditional benefits of a conditional use permit through the provisions of the Rincon Hill Plan. Thus developers receive the benefits of a conditional use but their development is generally principally permitted.*~~

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

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

(1) ***Housing.*** *The Board has adopted extensive findings documenting generally the need for housing and particularly affordable housing and the impact of market rate housing development on the need for affordable housing in Section 415.1 and incorporates those findings herein.* The proposed new development in the Rincon Hill area will also lead to increased home prices and increased rental rates in the immediate Rincon Hill area and the surrounding South of Market

area. This new development and corresponding increase in prices in the Rincon Hill area will cause displacement of existing residents.

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

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

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

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

The new development in the Rincon Hill area will also affect the type of jobs available in the Rincon Hill and South of Market area. Current residents of *SoMa* are employed in the Rincon Hill and *SoMa* area. New development in the Rincon Hill area will concentrate on residential development, thus pushing out other uses including light industrial uses and small business. Local workers will need to be retrained to avoid job displacement from the development in the Rincon Hill area. Financial assistance will support employment development, job placement, job development, and other forms of economic capacity building for *SoMa* residents to ameliorate the effects of the economic displacement. The City benefits from having workers live near to their work places in reduced commute times for residents, and reduced traffic congestion and associated pollution.

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

SEC. 418.5. RINCON HILL COMMUNITY IMPROVEMENTS FUND.

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

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

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

~~*planning, design and engineering services in support of the proposed public improvements, provided they do not exceed a total of $500,000.*~~

Table 418.5

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

Improvement Type	***Dollars Received from Residential Development***	***Dollars Received from Commercial Development***
Complete Streets: Pedestrian and Streetscape Improvements	*85%*	*Not applicable*
Recreation and Open Space	*10%*	*Not applicable*
Program Administration	*5%*	*Not applicable*

_____(2) ***SoMa Stabilization Fund.*** Notwithstanding Subsection (b)(1) above, $6 million of the Fund shall be transferred to the *SoMa* Stabilization Fund described in Section 418.7 to be used exclusively for the following expenditures: *SoMa* Open Space Facilities Development and Improvement; Community Facilities Development and Improvement; *SoMa* Pedestrian Safety Planning, Traffic Calming, and Streetscape Improvement; and Development of new affordable housing in *SoMa*. The Board of Supervisors finds that it is in the best interest of the City that the Rincon Hill Community Improvements be built. ~~*The Board of Supervisors further finds that the City will be able to build sufficient community improvements for the Rincon Hill Plan Area with the remainder of the money in the Rincon Hill Community Improvements Fund. In the event that the Department demonstrates to the Board that the City is unable to build the contemplated community improvements for the Plan Area, it shall be City policy to designate funds from the general fund received from real estate transfer taxes and property taxes on new development generated under the Rincon Hill Plan Area Plan approved in this ordinance sufficient to finance the rest of the community improvements proposed for the Rincon Hill Plan Area*~~.

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

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

(c~~d~~) ***Acquisition of New Open Space.*** A public hearing shall be held by both the Planning and Recreation and Parks Commissions to elicit public comment on proposals for the acquisition of property using monies in the Fund or through agreements for financing In-Kind Community Improvements via a Mello-Roos Community Facilities District that will ultimately be maintained by the Department of Recreation and Parks. Notice of public hearings shall be published in an official newspaper at least 20 days prior to the date of the

hearing, which notice shall set forth the time, place, and purpose of the hearing. The hearing may be continued to a later date by a majority vote of the members of both Commissions present at the hearing. ~~*At a joint public hearing, a quorum of the Planning and*~~ *The* Recreation and Parks Commission~~s~~ may vote to *recommend to the Board of Supervisors that it appropriate money from* ~~*allocate the monies in*~~ the Fund for acquisition of property for park use and/or for development of property for park use~~, or to approve projects proposed in connection with an agreement for In-Kind or CFD Improvements~~.

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

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

SEC. 420.1. *PURPOSE AND* FINDINGS *SUPPORTING VISITATION VALLEY COMMUNITY IMPROVEMENTS FEE AND FUND*.

(a) ***Purpose.*** ~~*New Residential and Non-Residential Uses.*~~ The Visitacion Valley Fee Area (Fee Area) is located along the southeastern border of San Francisco and includes the area bounded by McLaren Park to the west, the San Mateo County line to the south, Mansell Street

to the north, and Highway 101 and Bayview Park to the east. *The Board takes legislative notice of the purpose of* ~~*The Fee Area includes*~~ the following planning areas: Executive Park *Subarea Plan of the Bayview Hunters Point Area Plan*, ~~*Schlage Lock,*~~ *and the* Visitacion Valley Redevelopment Area, *including the Schlage Lock site.*~~,~~ *The Board also takes notice of the HOPE SF program, specifically the* ~~*and*~~ HOPE SF *development at* Sunnydale. Jointly these plans *and program* aim to strengthen neighborhood character, the neighborhood commercial district, and transit by increasing the housing and retail capacity in the area. This project goal will also help to meet ABAG's projected demand to provide housing in the Bay Area by encouraging the construction of higher density housing. The Plan builds on existing neighborhood character and establishes new standards for amenities necessary for a transit-oriented neighborhood. *In addition, the Board notes the findings made in the above-referenced Plans that support the establishment of the Visitacion Valley Community Improvements Fee and Fund, specifically that new development in Visitacion Valley creates the need for improvements in pedestrian and streetscape amenities, bicycle infrastrucutre, recreation and open space facilities, and childcare.*

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

The Board takes legislative notice of the findings supporting these fees in former Planning Code Section 420.1 (formerly Section 318.10 et seq.) and the materials associated with Ordinance No. 3-11 in Board File No. 101247. To the extent that the Board previously adopted fees in this Area Plan that

are not covered in the analysis of the 4 infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.

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

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

~~*(d) Visitacion Valley Impact Fee. Development impact fees are an effective approach to mitigate impacts associated with growth in population. The proposed Visitacion Valley Impact Fee*~~

~~would be dedicated to community improvements in the described fee area; directing benefits of the fund to those who pay into the fund by providing the necessary infrastructure improvements needed to serve new development. The Planning Department has calculated the fee rate based on accepted professional methods for the calculation of such fees, and described fully in the Visitacion Valley Nexus Study.~~

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

	~~Nexus Amount per sf~~
~~Library~~	~~17%~~
~~Transportation~~	~~28%~~
~~Parks & Recreation~~	~~24%~~
~~Child Care~~	~~22%~~
~~Community Facilities~~	~~9%~~
~~Total per sf~~	~~$4.58~~

~~(e) The Board of Supervisors has reviewed the record for this item including but not limited to the Nexus study, the Planning Department file, the recommendation of the Planning Commission, staff analysis, and public testimony and, on that basis finds that the study supports the requirements of the Visitacion Valley Community Facilities and Infrastructure Fee and Fund. Specifically, the Board finds that Nexus study and the record: identify the purpose of the fee to mitigate impacts on the demand for~~

~~*the identified community facilities and infrastructure; identify the use to which the fee is to be put as being to build a new Library; and make improvements to the following community facilities and infrastructure: transportation, parks and recreation, childcare, and community facilities; and establishes a reasonable relationship between the use of the fee for the identified community facilities and infrastructure and the need for these facilities caused by the construction of new residential and non-residential development. Moreover, the Board finds that the fee is less than the cost of mitigation and does not include the costs of remedying any existing deficiencies. The Board also finds that the Nexus Study establishes that the fee does not duplicate other City requirements or fees.*~~

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

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

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

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

Table 420.6A

Breakdown of Use of Visitacion Valley Community Improvements Fund by Infrastructure Type

Improvement Type	***Dollars Received From Residential Development***	***Dollars Received From Non-Residential Development***
Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Infrastructure	*45%*	*45%*
Recreation and Open Space	*33%*	*33%*
Childcare	*22%*	*22%*
Program Administration	*5%*	*5%*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~*D. Programmed Improvements and Costs. Community improvements to mitigate the impact of new development in the Market and Octavia Plan Area were identified through a community planning process, based on proposals in the Market and Octavia Area Plan on file with the Clerk of the Board in File No. 071158, and on a standards based analysis, and on community input during the Plan adoption process. The Planning Department developed cost estimates to the extent possible for all proposed improvements. These are summarized by use type in Table 1. Cost projections in Table 1 are realistic estimates made by the Planning Department of the actual costs for improvements needed to support new development. More information on these cost estimates is located in the Market and Octavia Community Improvements Program Document. Cost estimates for some items on Table 1 are to be determined through ongoing analyses conducted in coordination with implementation of the Market and Octavia Plan Community Improvements Program. In many cases these projects require further design work, engineering, and environmental review, which may alter the nature of the improvements; the cost estimates are still reasonable approximates for the eventual cost of providing necessary community improvements to respond to identified community needs. The Board of Supervisors is not committing to the implementation of any particular project at this time. Projects may be substituted for like projects should new information from the Citizens Advisory Committee, the Interagency Plan Implementation Committee, other stakeholders, or the environmental review process*~~

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

~~*Table 1.*~~

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

~~*Market and Octavia Community Improvements*~~	
~~*Greening*~~	~~*$58,310,000*~~
~~*Parks*~~	~~*$6,850,000*~~
~~*Park Improvements*~~	~~*$ TBD*~~
~~*Vehicle*~~	~~*$49,260,000*~~
~~*Pedestrian*~~	~~*$23,760,000*~~
~~*Transportation*~~	~~*$81,180,000*~~
~~*Transit User Infrastructure*~~	~~*$ TBD*~~
~~*Bicycle*~~	~~*$1,580,000*~~
~~*Childcare*~~	~~*$17,170,000*~~
~~*Library Materials*~~	~~*$690,000*~~
~~*Recreational Facilities*~~	~~*$15,060,000*~~
~~*Future Studies*~~	~~*$460,000*~~
~~*Program Administration*~~	~~*$4,730,000*~~
~~*Total*~~	~~*$258,900,000*~~

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

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

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

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

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

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

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

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

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

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

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

SEC. 421.5. MARKET AND OCTAVIA COMMUNITY IMPROVEMENTS FUND.

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

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

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

Table 421.5A. Breakdown *of Use* of Market and Octavia Community Improvements Fee by Infrastructure Type.

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

~~*Components of Proposed Impact Fee*~~	~~*Residential*~~	~~*Commercial*~~

~~*Greening*~~	~~*34.1%*~~	~~*50.2%*~~
~~*Parks*~~	~~*8.2%*~~	~~*13.8%*~~
~~*Park Improvements*~~	~~*tbd*~~	~~*tbd*~~
~~*Vehicle*~~	~~*0.4%*~~	~~*0.4%*~~
~~*Pedestrian*~~	~~*6.9%*~~	~~*6.2%*~~
~~*Transportation*~~	~~*22.2%*~~	~~*20.1%*~~
~~*Transit User Infrastructure*~~	~~*tbd*~~	~~*tbd*~~
~~*Bicycle*~~	~~*0.5%*~~	~~*0.4%*~~
~~*Childcare*~~	~~*8.3%*~~	~~*0.0%*~~
~~*Library Materials*~~	~~*0.9%*~~	~~*0.0%*~~
~~*Recreational Facilities*~~	~~*13.1%*~~	~~*0.0%*~~
~~*Future Studies*~~	~~*0.2%*~~	~~*.4%*~~
~~*Program Administration*~~	~~*5.1%*~~	~~*8.6%*~~

~~*Funds may be used for childcare facilities that are not publicly owned or "publicly accessible". Funds generated for 'library resources' should be used for materials at the Main Library, the Eureka Valley Library, or other library facilities that directly service Market and Octavia Residents. Funds may be used for additional studies and fund administration as detailed in the Market and Octavia Community Improvements Program Document. These improvements shall be consistent with the Market and Octavia Civic Streets and Open Space System as described in Map 4 of the Market and*~~

~~*Octavia Area Plan of the General Plan, and any Market and Octavia Improvements Plan. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee pursuant to Section 421.3(c) above, to complete an updated nexus study to demonstrate the relationship between development and the need for public facilities if this is deemed necessary.*~~

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

(c) ~~*With full participation by the Planning Department and related implementing agencies the Controller's Office shall file a report with the Board of Supervisors in even-numbered years, which report shall include the following elements: (1) a description of the type of fee in each account or fund; (2) amount of the fee; (3) beginning and ending balance of the accounts or funds including any bond funds held by an outside trustee; (4) amount of fees collected and interest earned; (5) identification of each public improvement on which fees or bond funds were expended and amount of each expenditure;*~~

~~*(6) an identification of the approximate date by which the construction of public improvements will commence; (7) a description of any inter-fund transfer or loan and the public improvement on which the transferred funds will be expended; and (8) allocations of unexpended fees that are not refunded.*~~

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

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

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

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

(a) ***Purpose.*** ~~*A. New Residential and Non-Residential Uses.*~~ *The Board takes legislative notice of the purpose of the Balboa Park Station Area Plan as articulated in the Balboa Park Station Area Plan of the San Francisco General Plan.* The Balboa Park Station Area Plan is a part of the Better Neighborhoods Program that recognizes population growth is beneficial in neighborhoods well-served by transit. As such, the Balboa Park Area Plan aims to strengthen neighborhood character, the neighborhood commercial district, and transit by increasing the housing and retail capacity in the area. This project goal will also help to meet ABAG's projected demand to provide housing in the Bay Area by encouraging the construction of higher density housing. The Balboa Park Plan Area can better accommodate this growth because of its easy access to public transit, proximity to downtown, convenience of neighborhood shops to meet daily needs, and the availability of development opportunity sites. San Francisco's land constraints limit new housing construction to areas of the City not previously designated as residential areas, infill sites, or areas that can absorb increased density. The Balboa Park Plan Area presents an opportunity to both absorb increased density and provide infill development within easy walking distance to transit while maintaining neighborhood character. ~~*The Better Neighborhoods Program also calls for strong neighborhood commercial cores and a transit-oriented neighborhood requires a full range of neighborhood serving businesses.*~~ The Plan builds on existing neighborhood character and establishes new standards for amenities necessary for a transit-oriented neighborhood.

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

(b) ***Findings.*** *The Board of Supervisors has reviewed the San Francisco Citywide Nexus Analysis prepared by AECOM dated March 2014 ("Nexus Analysis"), and the San Francisco*

Infrastructure Level of Service Analysis prepared by AECOM dated March 2014, both on file with the Clerk of the Board in File No. _____ and, under Section 401A, adopts the findings and conclusions of those studies and the general and specific findings in that Section, specifically including the Recreation and Open Space Findings, Pedestrian and Streetscape Findings, Childcare Findings, and Bicycle Infrastructure Findings and incorporates those by reference herein to support the imposition of the fees under this Section.

The Board takes legislative notice of the findings supporting these fees in former Planning Code Section 422.1 (formerly Section 331 et seq.) and the materials associated with Ordinance No. 61-09 in Board File No. 090181 and the Balboa Park Community Improvements Program, on file with the Clerk of the Board in File No. 090179. To the extent that the Board previously adopted fees in this Area Plan that are not covered in the analysis of the four infrastructure areas analyzed in the Nexus Analysis, including but not limited to fees related to transit, the Board continues to rely on its prior analysis and the findings it made in support of those fees.

~~*B. Need for Public Improvements to Accompany New Uses. The amendments to the General Plan, Planning Code, and Zoning Maps that correspond to Section 422.1 et seq. will permit an increased amount of new housing and other uses, as noted above. The Planning Department anticipates an increase of at least 1,780 new housing units within the next 20 years, and over 225 new jobs, as described in the Balboa Park Station Area Plan Draft Environmental Impact Report and the Community Improvements Program. This new development will have an impact on the Plan Area's neighborhood infrastructure. New development will generate needs for street improvements, transit improvements, and community facilities and services improvements. As described in the Balboa Park Community Improvements Program, on file with the Clerk of the Board in File No. 090179. The Balboa Park Station Area Plan addresses existing deficiencies and new impacts through a comprehensive package of public benefits described in the Balboa Park Community Improvements Program. This*~~

~~*Program will enable the City and County of San Francisco to provide necessary public infrastructure to new residents while increasing neighborhood livability and investment in the district.*~~

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

~~*D. Programmed Improvements. General public improvements and amenities needed to meet the needs of both existing residents, as well as those needs generated by new development, have been identified through a community planning processes. The Planning Department developed generalized cost estimates, based on similar project types implemented by the City in the relevant time period, to provide reasonable approximates for the eventual cost of providing necessary community improvements to respond to identified community needs. In some cases, design work, engineering, and environmental review will be required and may alter the nature of the improvements, as well as the sum total of the cost for these improvements.*~~

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

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

~~*deficiencies. Existing deficiency costs will be paid for by the public, the community, and other private sources as described in the Balboa Park Community Improvements Program. Residential and non-residential impact fees are only one of many revenue sources necessary to implement the community improvements outlined in the Plan.*~~

SEC. 422.5. BALBOA PARK COMMUNITY IMPROVEMENTS FUND.

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

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

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

Table 422.5

BREAKDOWN OF USE OF BALBOA PARK COMMUNITY IMPROVEMENTS FEE/FUND BY IMPROVEMENT TYPE

Improvement Type	***Dollars Received From Residential Development***	***Dollars Received From Commercial Development***
Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Improvements	*38%*	*38%*
Transit	*13%*	*13%*
Recreation and Open Space	*30%*	*30%*
Childcare	*15%*	*15%*
Program Administration	*5%*	*5%*

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

deemed necessary. All interest earned on this account shall be credited to the Balboa Park Community Improvements Fund.

~~*(c) Funds shall be deposited into specific accounts according to the improvement type for which they were collected. Funds from a specific account may be assigned to a different improvement type, provided said account or fund is reimbursed over a five year period of fee collection. Funds shall be allocated to accounts by improvement type as described below in Table 422.1 and as supported by the Balboa Park Community Improvements Program Nexus Study, San Francisco Planning Department, Case No. 2004.1059U, monitored according to the Balboa Park Monitoring Program described in Administrative Code Chapter 10.*~~

~~*TABLE 422.1*~~

~~*BREAKDOWN OF BALBOA PARK COMMUNITY IMPROVEMENTS FEE/FUND BY IMPROVEMENT TYPE*~~

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

~~*(d) With full participation by the Department and related implementing agencies, the Controller's Office shall file a report with the Board of Supervisors in even-numbered years, which report shall include the following elements: (1) a description of the type of fee in each account or fund; (2) beginning and ending balance of the accounts or funds including any bond funds held by an outside trustee; (3) amount of fees collected and interest earned; (4) identification of each public improvement*~~

~~*on which fees or bond funds were expended and amount of each expenditure; (5) an identification of the approximate date by which the construction of public improvements will commence; (6) a description of any inter-fund transfer or loan and the public improvement on which the transferred funds will be expended; and (7) amount of refunds made and any allocations of unexpended fees that are not refunded.*~~

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

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

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

SEC. 423.1. *PURPOSE AND* FINDINGS *SUPPORTING EASTERN NEIGHBORHOODS IMPACT FEES AND COMMUNITY IMPROVEMENTS FUND*.

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

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

~~*(3)*~~ *The Board takes legislative notice of the purpose of the Eastern Neighborhoods Area Plan as articulated in the Eastern Neighborhoods Area Plan of the San Francisco General Plan.* San Francisco's Housing Element establishes the Eastern Neighborhoods as a target area for development of new housing to meet San Francisco's identified housing targets. The release of some of the area's formerly industrial lands, no longer needed to meet current industrial or PDR needs, offer an opportunity to achieve higher affordability, and meet a greater range of need. The Mission, Showplace Square - Potrero Hill, East SoMa, Western SoMa and Central Waterfront Area Plans of the General Plan (Eastern Neighborhoods Plans) thereby call for

creation of new zoning intended specifically to meet San Francisco's housing needs, through higher affordability requirements and through greater flexibility in the way those requirements can be met, as described in Section 419. To support this new housing, other land uses, including PDR businesses, retail, office and other workplace uses will also grow in the Eastern Neighborhoods.

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

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

~~*(c) (1) Requirements for New Development To Contribute Towards Plan Objectives.*~~ A key policy goal of the Eastern Neighborhoods Plans is to provide a significant amount of new housing affordable to low, moderate and middle income families and individuals, along with "complete neighborhoods" that provide appropriate amenities for these new residents. The

Plans obligate all new development within the Eastern Neighborhoods to contribute towards these goals, by providing a contribution towards affordable housing needs and by paying an Eastern Neighborhoods Impact Fee.

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

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

~~*(d) Programmed Improvements. General public improvements and amenities needed to meet the needs of both existing residents, as well as those needs generated by new development, have been identified through the community planning processes of the Area Plans. In the Mission, Showplace*~~

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

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

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

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

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

SEC. 423.5. THE EASTERN NEIGHBORHOODS *COMMUNITY IMPROVEMENTS* ~~*PUBLIC BENEFITS*~~ **FUND.**

(a) ***Purpose.*** There is hereby established a separate fund set aside for a special purpose entitled the Eastern Neighborhoods *Community Improvements* ~~*Public Benefits*~~ Fund ("Fund"). All monies collected by the Development Fee Collection Unit at DBI pursuant to Section 423.3(e) shall be deposited in ~~*a special*~~ *the F*fund maintained by the Controller. The receipts in the Fund *shall be appropriated in accordance with the normal budgetary process* ~~*to be used solely*~~ to fund *Community Improvements*~~*Public Benefits*~~ subject to the conditions of this Section.

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

(1) All monies deposited in the Fund or credited against Fund obligations shall be used to design, engineer, acquire, *improve,* and develop ~~*and improve*~~ public open space and recreational facilities; transit, streetscape and public realm improvements; and ~~*community facilities including*~~ childcare *facilities.* ~~*and library materials, as defined in the Eastern Neighborhoods*~~

~~*and Western SoMa Nexus Studies; or housing preservation and development within the Eastern Neighborhoods Plan Area.*~~ Funds may be used for child-care facilities that are not publicly owned or ~~"~~publicly-accessible.~~" Funds generated for 'library resources' should be used for materials in branches that directly service Eastern Neighborhoods residents. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee, and/or to complete an updated nexus study to demonstrate the relationship between development and the need for public facilities if this is deemed necessary~~.

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

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

Table 423.5

BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS COMMUNITY IMPROVEMENTS FEE/FUND BY IMPROVEMENT TYPE*

Improvement Type	***Dollars Received From Residential Development***	***Dollars Received From Non-Residential /Commercial Development***
Complete Streets: Pedestrian and Streetscape Improvements, Bicycle Facilities	*3%*	*4%*
Transit	*38%*	*83%*

Recreation and Open Space	*47.5%*	*6%*
Childcare	*6.5%*	*2%*
Program Administration	*5%*	*5%*

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

Table 423.5A

BREAKDOWN OF USE OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND

BY IMPROVEMENT TYPE FOR DESIGNATED AFFORDABLE HOUSING ZONES

Improvement Type	***Dollars Received From Residential Development***	***Dollars Received From Non-Residential /Commercial Development***
Affordable Housing preservation and development	*75%*	*n/a*
Open space and recreation	*10%*	*6%*
Transit	*6%*	*85%*
Pedestrian and Streetscape Improvements	*3%*	*3%*
Program administration	*5%*	*5%*

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

hearings), reporting or informational requests related to the Fund, and coordination between public agencies regarding determining and evaluation appropriate expenditures of the Fund. Monies from the Fund may be used by the Planning Commission to commission economic analyses for the purpose of revising the fee, or to complete a nexus study to demonstrate or update the relationship between development and the need for public facilities, or to commission landscape, architectural or other planning, design and engineering services in support of the proposed public improvement. ~~*Funds may be used for administration and accounting of fund assets, for additional studies as detailed in the Eastern Neighborhoods Public Benefits Program Document, and to defend the Community Stabilization fee against legal challenge, including the legal costs and attorney's fees incurred in the defense. Administration of this fund includes time and materials associated with reporting requirements, facilitating the Eastern Neighborhoods Citizens Advisory Committee meetings, and maintenance of the fund.*~~ All interest earned on this account shall be credited to the Eastern Neighborhoods *Community Improvements* ~~*Public Benefits*~~ Fund.

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

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

(2) Funds collected in designated affordable housing zones (Mission NCT and MUR (as defined in 401)*)*, shall be allocated to accounts by improvement type as described in Table 423.5A. The revenue devoted to affordable housing preservation and development shall be deposited into a specific ~~*amount*~~ *account* to be held by the Mayor's Office of Housing.

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

(B) All funds collected from projects in the MUR that are earmarked for affordable housing preservation and development shall be expended on housing programs and projects shall be expended within the boundaries of 5th to 10th Streets/Howard to Harrison Streets.

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

~~*(3) All funds are supported by the Eastern Neighborhoods and Western SoMa Nexus Studies, San Francisco Planning Department, Case No. 2004.0160 and 2008.0877, and monitored according to the Eastern Neighborhoods Area Plans Monitoring Program required by the Administrative Code Section 10E and detailed by separate resolution.*~~

~~*TABLE 423.5*~~

~~*BREAKDOWN OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND BY IMPROVEMENT TYPE**~~

~~*Improvement Type*~~	~~*Residential*~~	~~*Non-residential*~~
~~*Open space and recreational facilities*~~	~~*50%*~~	~~*7%*~~
~~*Transit, streetscape and public realm improvements*~~	~~*42%*~~	~~*90%*~~
~~*Community facilities (child care and library materials)*~~	~~*8%*~~	~~*3%*~~

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

~~TABLE 423.5A~~

~~BREAKDOWN OF EASTERN NEIGHBORHOODS PUBLIC BENEFIT FEE/FUND~~

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

~~Improvement Type Residential Non-residential~~

~~Affordable housing preservation and development 75% n/a~~

~~Open space and recreational facilities 13% 7%~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 424.5. VAN NESS AND MARKET DOWNTOWN RESIDENTIAL SPECIAL USE DISTRICT INFRASTRUCTURE FUND.

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

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

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

Program Administration	*5%*	*5%*

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

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

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

~~*(4)*~~ At the close of a fiscal year in which the Market and Octavia Community Improvements Program has generated funding for no less than $211 million of expenditures in the plan area, including revenue generated through this Section 424.1 et seq., Section 421 fee payments, in-kind improvements, public grants, San Francisco general funds, assessment

districts, and other sources which contribute to the overall programming, all future funds generated through Section 424.1 et seq. shall be redirected ~~*one hundred (*~~100~~*%) percent*~~ to the Citywide Affordable Housing Fund.

(~~*4*~~5) Expenditure of funds shall be coordinated with appropriate City agencies as detailed in Section 421.5~~*(d) and (e).*~~

(~~*5*~~6) The Director shall have the authority to prescribe rules and regulations governing the Fund, which are consistent with Section 424.1 et seq. The Director *of Planning, as the head of the Interagency Plan Implementation Committee (IPIC),* shall make recommendations to the Board regarding allocation of funds.

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

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

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

By: _____
SUSAN CLEVELAND-KNOWLES
Deputy City Attorney

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