The Dollars and Sense of Sustainable Transportation

New Partners for Smart Growth

February 3, 2018
OVERVIEW
- SF Transportation Context
- SFMTA Budget
- Funding Gap
- Transportation Sustainability Fee
- Parking Pricing
HOW DO WE GROW SUSTAINABLY?

By 2040:

100,000+ new households
190,000+ new jobs

40% of housing projections already in pipeline

Households

Jobs
SF Transportation Context
## URGENT FUNDING NEED

**TRANSPORTATION TASK FORCE 2045**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Need (M$)</th>
<th>Anticipated Revenues (M$)</th>
<th>Unfunded Gap (M$)</th>
<th>% of Total Unfunded Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transit Service and Affordability</td>
<td>$1,644</td>
<td>$100</td>
<td>$1,544</td>
<td>7.0%</td>
</tr>
<tr>
<td>2. Muni Fleet, Facilities, and Infrastructure</td>
<td>$13,680</td>
<td>$4,922</td>
<td>$8,758</td>
<td>39.9%</td>
</tr>
<tr>
<td>3. Transit Optimization and Expansion</td>
<td>$8,208</td>
<td>$2,359</td>
<td>$5,850</td>
<td>26.7%</td>
</tr>
<tr>
<td>4. Regional Transit and Smart Systems Management</td>
<td>$1,277</td>
<td>$244</td>
<td>$982</td>
<td>4.5%</td>
</tr>
<tr>
<td>5. Vision Zero, Safer and Complete Streets</td>
<td>$5,201</td>
<td>$1,176</td>
<td>$4,024</td>
<td>18.3%</td>
</tr>
<tr>
<td>6. Street Resurfacing</td>
<td>$1,702</td>
<td>$918</td>
<td>$784</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$31,661</strong></td>
<td><strong>$9,719</strong></td>
<td><strong>$21,942</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Proposed Transportation Sustainability Fee (TSF)

• Citywide transportation fee to ensure that new development pays its fair share for impacts on the transportation system

• Replaces *existing* citywide Transit Impact Development Fee (TIDF) and expands applicability to include market-rate residential development and certain large institutions*

• No change to status quo for nonprofits

*Exemptions apply*
Nexus & Economic Feasibility Studies

The fee proposal was crafted to strike a balance between two technical studies:

• **TSF Nexus Study:** Analyzed the total cost to the City of providing transportation infrastructure to serve the demand generated by new growth.

• **TSF Economic Feasibility Study:** Evaluated how high fees could be set without making new development projects too costly to build.
## Nexus Study: Maximum Justified TSF Rates

<table>
<thead>
<tr>
<th>LAND USE CATEGORY</th>
<th>TRANSIT COMPLETE STREETS</th>
<th>TOTAL, MAXIMUM JUSTIFIED TSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESIDENTIAL</td>
<td>$22.59</td>
<td>$8.34</td>
</tr>
<tr>
<td>NON-RESIDENTIAL</td>
<td>$80.68</td>
<td>$6.74</td>
</tr>
<tr>
<td>PRODUCTION, DISTRIBUTION, REPAIR (PDR)</td>
<td>$22.59</td>
<td>$3.48</td>
</tr>
</tbody>
</table>

Note: Transit Nexus includes transit capital maintenance and transit capital facilities. Complete streets nexus was established in the San Francisco Citywide Nexus Study (2014).
## Proposed Fee Rates

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Existing TIDF Rates</th>
<th>TSF Per Gross Sq. Ft. of New Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>N/A</td>
<td>$7.74</td>
</tr>
<tr>
<td></td>
<td>Units above 99</td>
<td>$8.74</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>$13.87 – $14.59</td>
<td>$18.04</td>
</tr>
<tr>
<td></td>
<td>GSF &gt; 99,999</td>
<td>$19.04</td>
</tr>
<tr>
<td>PDR</td>
<td>$7.46</td>
<td>$7.61</td>
</tr>
</tbody>
</table>

Residential projects in some Area Plans would **NOT** receive a fee reduction in the amount of the transportation portion of the Area Plan fee, up to the amount of TSF.
Transportation Sustainability Fee

Proposed Fee Applicability

Applies to:

• Most non-residential development (generally same as existing Transit Impact Development Fee)

• Market-rate residential development creating 21 or more units

• Large non-profit hospitals with Institutional Master Plan
Proposed Fee Exemptions

Does not apply to:

• Deed-restricted affordable units (80% AMI) & 100% middle-income housing (150% AMI) projects
  • Required inclusionary units are not exempt
• Residential development creating 20 or fewer units
• Small business changes of use (<5,000 sf), except formula retail
• Nonprofits including postsecondary institutions, except non-profit hospitals
## Projected Revenue as Amended

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TSF</td>
<td>$49,000,000</td>
<td>$1,474,000,000</td>
</tr>
<tr>
<td>Less: TIDF (existing)</td>
<td>($24,000,000)</td>
<td>($719,000,000)</td>
</tr>
<tr>
<td>Less: Exemptions &amp; Grandfathering</td>
<td>($8,000,000)</td>
<td>($247,000,000)</td>
</tr>
<tr>
<td><strong>NET NEW REVENUE UNDER TSF</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL TSF</strong></td>
<td>$19MN</td>
<td>$570MN</td>
</tr>
<tr>
<td><strong>TOTAL TSF</strong></td>
<td>$44MN</td>
<td>$1.3BN</td>
</tr>
</tbody>
</table>
SFMTA Parking Overview

• 275,000 on-street parking spaces
• 28,000 on-street metered parking spaces
  • $51m annual revenue
• 38 off-street garages and parking lots
  – 15,000 spaces
  • $95m annual revenue
• 90,000 Residential Parking Permits (RPP)
  – 78,000 on-street spaces
  • $10m annual revenue

$156m in total revenue (not including citations & bonding capacities)
SF park Expansion

- Expand SFpark demand-responsive pricing to meters citywide
  - Presently implemented at 6,000 meters in 7 districts
  - Expansion would cover additional 23,000 metered spaces
- Real-time availability data
- Goals:
  - Reduce parking search time
  - Reduce double-parking
  - Reduce congestion
Answering Important Questions

• **Question:** is this just a way for SFMTA to generate more revenue?

• **Answer:**
  - No
  - Overall average rate will not change
  - Revenue impact expected to be minimal
  - Data-driven, rather than budget-driven, approach to setting rates
Recent Trends at City Garages

• Gross Revenues
  – $94 Million FY15-16
  – $54.4 M YTD FY16-17 (-2%)

• Parking Tax
  – $18.2 Million FY15-16
  – $10.5 M YTD FY16-17 (-3%)

• Overall downward trend

• Impacts of Uber/Lyft?
Thank you!

Viktoriya Wise
Chief of Staff
Sustainable Streets Division, SFMTA
Viktoriyat.A.Wise@sfmta.com
Expenditure Plan: Outcomes

Over $400mn in NEW transportation funding over 30 years

- More Muni buses and trains
- Faster and more reliable local transit
- Roomier and faster regional transit (e.g. BART, Caltrain)
## Revenue as a Result of Amendments

<table>
<thead>
<tr>
<th>Fee Scenario</th>
<th>Net Increase in TSF Revenue (30 years)</th>
<th>Net Increase in TSF Revenue (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier by project size: for res&gt;100 units and non-res &gt;100k sq ft</td>
<td>$55.5mn</td>
<td>$1.9mn</td>
</tr>
<tr>
<td>No grandfathering for projects filed after 7/21/15</td>
<td>$4.9mn</td>
<td>$0.2mn</td>
</tr>
<tr>
<td>Eliminate area plan exemption</td>
<td>$53.6mn</td>
<td>$1.8mn</td>
</tr>
<tr>
<td>Increase PDR fee trigger to 1500 sq ft</td>
<td>Negligible</td>
<td>Negligible</td>
</tr>
<tr>
<td>Apply TSF to hospitals</td>
<td>$57.8mn</td>
<td>$1.9mn</td>
</tr>
<tr>
<td>Exempt post-secondary educational uses</td>
<td>($18.8mn)</td>
<td>($0.6mn)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$153.0mn</strong></td>
<td><strong>$5.1mn</strong></td>
</tr>
</tbody>
</table>