

THIS PRINT COVERS CALENDAR ITEM NO.: 12

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Sustainable Streets

BRIEF DESCRIPTION:

Endorsing proposed legislation amending the Planning Code to adopt a Transportation Demand Management (TDM) Program for new residential and commercial development (Proposed TDM Ordinance), and urging the Planning Commission, Board of Supervisors and the Mayor to adopt the Proposed Legislation.

SUMMARY:

- The Planning Department is proposing an ordinance to amend the Planning Code to establish a citywide Transportation Demand Management (TDM) Program for new development (Proposed TDM Ordinance)
- It is a component of the Transportation Sustainability Program, an initiative aimed at keeping people moving as the city grows.
- TDM for development refers to physical measures, incentives, and tools implemented by development projects to reduce driving trips associated with the project, by helping residents, tenants, employees, and visitors choose sustainable travel options.
- The Proposed Ordinance applies to all development projects, including change of uses, with greater than or equal to 10 dwelling units, 10 or more beds in a group housing or residential care facility, or 10,000 square feet of space other than residential, and would assign all developments vehicle miles traveled (VMT) reduction targets.
- The Proposed Ordinance would provide a TDM Menu of Options for project sponsors to select from to meet their targets.
- The Proposed Ordinance would require on-going compliance documentation to ensure that the project fulfills commitments to provide the selected TDM measures;
- The city will update the TDM Menu of Options to reflect new findings on the efficacy of measures in the Menu or to add new measures.

ENCLOSURES:

1. SFMTAB Resolution
2. Planning Commission Report and TDM Ordinance legislation:
<http://commissions.sfplanning.org/cpcpackets/2012.0726PCA.pdf>

APPROVALS:

DATE

DIRECTOR _____

5/24/16

SECRETARY R. Boomer _____

5/24/16

ASSIGNED SFMTAB CALENDAR DATE: June 7, 2016

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PURPOSE

Endorsing proposed legislation amending the Planning Code to adopt a Transportation Demand Management (TDM) Program for new residential and commercial development (Proposed TDM Ordinance), and urging the Planning Commission, Board of Supervisors and the Mayor to adopt the Proposed Legislation.

GOAL

The proposed ordinance supports the following SFMTA Strategic Plan Goals:

Goal 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel

Goal 3: Improve the environment and quality of life in San Francisco

DESCRIPTION

The City and County of San Francisco is a popular place to work, live and visit, which places strains on the existing transportation network. The City is projected to grow substantially over the next 25 years – by 2040, up to 100,000 new households and 190,000 new jobs are expected.¹ Without enhancements to our transportation network, this growth could result in more than 600,000 additional daily cars trips on our streets.²

Transportation Sustainability Program

The Transportation Sustainability Program (TSP) is an initiative aimed at improving and expanding the transportation system to help accommodate new growth, and creating a policy framework for private development to contribute to minimizing its impact on the transportation system, including helping to pay for the system's enhancement and expansion. The Transportation Sustainability Program is a joint effort by the Mayor's Office, the San Francisco Planning Department, the San Francisco Municipal Transportation Agency (SFMTA), and the San Francisco County Transportation Authority (Transportation Authority), comprised of the following three components, which are discrete policy measures that are useful and necessary on their own, but complement each other and are most effective together:

Invest: Fund Transportation Improvements to Support Growth. The Transportation Sustainability Fee (TSF) is assessed on new development, including residential development, to help fund improvements to transit capacity and reliability as well as bicycle and pedestrian improvements. The TSF was signed into law by the Mayor on November 25, 2015.

¹ Association of Bay Area Governments (ABAG), *Projections 2013*.

² San Francisco County Transportation Authority (SFCTA), *Transportation Plan 2040 Needs Assessment*.

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Align: Modernize Environmental Review. This component of the Transportation Sustainability Program changed how the City analyzes impacts of new development on the transportation system under the California Environmental Quality Act (CEQA). This reform has been helped by California Senate Bill 743, which requires that the existing transportation review standard, focused on automobile delay (vehicular level of service), be replaced with a more meaningful metric, vehicle miles traveled (VMT). Vehicle miles traveled is a measure of the amount and distance that a project causes potential residents, tenants, employees, and visitors of a project to drive, including the number of passengers within a vehicle. The Planning Commission adopted a resolution regarding this reform on March 3, 2016.

Shift: Encourage Sustainable Travel. This component of the Transportation Sustainability Program would help manage demand on the transportation network through a Transportation Demand Management Program, making sure new developments are designed to make it easier for new residents, tenants, employees, and visitors to get around by sustainable travel modes such as transit, walking, and biking. Each measure that would be included in the TDM program is intended to reduce vehicle miles traveled from new development. Shift is the subject of this calendar item.

Proposed TDM Ordinance

The City cannot accommodate a substantial increase in vehicles. A TDM Program would reduce the impacts from growth to the transportation system by reducing vehicle miles traveled from new residents, tenants, employees, and visitors. A reduction in vehicle miles traveled may result from shifting auto trips to other travel modes, increasing vehicle occupancy through carpool or rideshare activities, or reducing the average trip length by increasing the diversity of land uses in a particular location. The Planning Commission has initiated legislation to amend the Planning Code to establish a TDM Program that will apply to certain new development in the City.

The proposed TDM Program also would not only deliver transportation system benefits, but would also provide environmental benefits, reduction in greenhouse gas (GHG) emissions, reduction in noise caused by motorized vehicles, positive public health and safety outcomes, and process benefits for neighborhoods and project sponsors.

TDM for Development—What Exists Now: The Planning Code currently contains a number of development-focused TDM measures, but although the Planning Code does specifically call out the requirements, they are not specifically identified as TDM measures. Applicability of these measures depends on the size and land use associated with a project and its' Use District. Beyond these requirements, a TDM program for a project may be developed during the development review process. The development of a TDM program generally occurs one of four ways: 1) voluntarily, possibly after being identified as improvement measures during the entitlement or environmental review phase; 2) as mitigation measures in a document prepared under CEQA; 3) through a negotiated Development Agreement; or 4) through Institutional Master Plan requirements.

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The current approach is not optimal because it creates uncertainty for the project sponsor in terms of potential TDM requirements that may be requested or imposed later in the development review process, and because it misses an opportunity for additional TDM measures to be incorporated into overall development programs and fundamentally shape projects. Additionally, the reduction associated with various TDM measures may not be accounted for in the air quality, greenhouse gases, and transportation CEQA analyses for a project.

TDM for Development—Proposed: The Proposed TDM Ordinance incorporates best practices from across the country and proposes a comprehensive TDM Program for development. If adopted, the Planning Code would be amended to include a set of requirements related to transportation planning for development projects. Standards and technical details would be housed in separate documents that the Planning Commission would adopt and periodically update as necessary. This would enable the program to be nimble, responsive, and up-to-date in this highly dynamic field, while setting clear standards.

Applicability. The TDM Ordinance would apply to all development projects, including change of uses, with greater than or equal to 10 dwelling units, 10 or more beds in a group housing or residential care facility, or 10,000 square feet of space other than residential, except for limited exemptions, described below under “Exemptions.”

The program includes the following components:

Target. Each project subject to the TDM Program would be required to meet a Target. The Target would be based on the land use associated with the project and the number of accessory parking spaces proposed for the land use. The premise of the Proposed TDM Ordinance is that, to maintain mobility in the City, the number of vehicles coming and going from a development site is more important to manage than the ratio of vehicles to overall units or non-residential square footage at a project site (or parking ratio). The Planning Code contains definitions for over 100 different land uses. In order to simplify application of the Proposed TDM Ordinance, the ordinance classifies land uses into four categories, as shown in Table 1.

Table 1: Land Use Categories and Targets

	<i>Land Use Category</i>	<i>Typical Land Use Type</i>	<i># of Parking Spaces proposed by Land Use</i>	<i>Target</i>
1	A	Retail	Base number: 0 <= 4	Base Target: 13 points
2			Each additional 2 ³	1 additional point

3 For each additional parking space proposed above the base number, the number of parking spaces would be rounded up to the next highest Target. For example, a project within Land Use Category C that proposes 21 parking spaces would be subject to a 15 point Target

	<i>Land Use Category</i>	<i>Typical Land Use Type</i>	<i># of Parking Spaces proposed by Land Use</i>	<i>Target</i>
3	B	Office	Base number: 0 <= 20	Base Target: 13 points
4			Each additional 10 ²	1 additional point
5	C	Residential	Base number: 0 <= 20	Base Target: 14 points
6			Each additional 10 ²	1 additional point
7	D	Other	Any # of parking spaces	3 points

The following provides some typical types of land uses that fall within each of the four land use categories. Land Use Category A: formula retail, museums, entertainment venues, and grocery stores. Land Use Category B: office, child care facility, school. Land Use Category C: residential. Land Use Category D: internet service exchange, manufacturing, and production, distribution, and repair. A complete list of land uses classified from the Planning Code into land use categories is included as Attachment D: Proposed Land Use Categories for TDM Targets. The rationale for the land use categories will be described in the Technical Justification document.

The Base Target that all projects within Land Use Category A, B, and C would be required to meet is set at 25% of the total available number of points available in the relevant land use categories. Projects in Category D “Other” would be required to achieve their targets by selecting several measures from within a limited menu. This is the case because the uniqueness of these land uses, their relatively low trip generation as compared to other land use categories, and the infrequency of development applications for the uses means that these land uses would not substantially affect vehicle miles traveled. Through the environmental review process, although rare, some projects may be required to implement additional TDM as mitigation measures that go beyond the Base Target.

A literature review has indicated that an area with a high off-street vehicular parking supply is likely to generate more overall vehicular traffic than an area with a low off-street vehicular parking supply.⁴ Therefore, to encourage sustainable travel and reduce vehicle miles traveled, a site with a greater amount of off-street vehicular parking spaces needs more incentives and tools to support non-auto modes and disincentives to using personal vehicles (i.e., TDM measures) than a site with fewer off-street vehicular parking spaces. This approach does not restrict the ability of project sponsors to build off-street vehicular parking up to existing Code requirements or allowances; instead, it provides flexibility to project sponsors in developing a TDM plan to

⁴ Literature review includes, but is not limited to: Chris McCahill, et al., “Effects of Parking Provision on Automobile Use in Cities: Inferring Causality,” Transportation Research Board, November 13, 2015; Daniel Chatman, “Does Transit-Oriented Development Need the Transit?”, [Access](#), Fall 2015; and Rachel Weinberger, “Death by a thousand curb-cuts: Evidence on the effect of minimum parking requirements on the choice to drive,” Transport Policy, March 2012. This information is discussed in more detail in the Technical Justification document.

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reduce vehicle miles traveled that best fits the programming needs of the development and neighborhood.

Mixed Use Projects. For projects that propose a mix of land uses, each land use is grouped into one of the four land use categories. All land uses associated with one land use category is subject to the same Target. If a project includes multiple land use categories, each land use category is subject to a separate Target. If one land use is subject to the Proposed TDM Ordinance (e.g., 100 market-rate units), it does not pull in other land uses that are not applicable to the TDM Ordinance (e.g., 9,000 square feet of retail). The TDM Program Standards will provide examples.

Calculating the Number of Parking Spaces Proposed by Land Use Category. The Target for a project is based on the number of accessory parking spaces proposed by land use category. For Change of Use and Additions, the Target is based on the number of “net new” accessory parking spaces associated with the land use category. For New Construction and Replacement of Use projects, no credit is given to existing parking. The TDM Program Standards will provide examples.

TDM Menu of Options. A project sponsor in Land Use Categories A, B, or C could potentially select from 26 TDM measures in the TDM Menu of Options (TDM Menu) to achieve the Target. The 26 TDM measures are grouped into eight different categories: Active Transportation, Car-Share, Delivery, Family, High-Occupancy Vehicles, Communications and Information, Land use, and Parking. Of the 26 TDM measures, a project sponsor could potentially select one or more options from those TDM measures that apply to the project’s land use types. A project sponsor with a project in Land Use Category D would be required to select from a list of seven TDM measures. The measures in the TDM Menu include some of the TDM requirements already included in the Planning Code.

As stated in the Proposed TDM Ordinance, each measure in the TDM Menu shall be designed to reduce vehicle miles traveled by site residents, tenants, and visitors and must be under the control of the project sponsor, property owner, or tenant. Each of the TDM measures in the TDM Program Standards shall be assigned a number of points, reflecting its relative effectiveness to reduce vehicle miles traveled. These relative effectiveness determinations shall be grounded in literature review, local data collection, best practice research, and/or professional transportation expert opinion.

Fact Sheets. A fact sheet would be provided for each TDM measure. Each fact sheet would include a description of the TDM measure, the land use categories that the measure may be applied to, the points value(s) associated with the TDM measure, instructions for assigning points (where applicable), and compliance requirements during development review, prior to occupancy, and on an ongoing basis for the life of the project. In addition, each fact sheet would include relevant municipal code references. The TDM Program Standards will include the fact sheets as an appendix.

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Projects with a Substantial Amount of Parking. A project may initially propose more parking spaces than the TDM Menu has measures and associated points available for that many parking spaces. The following identifies the approximate⁵ number of parking spaces for each land use category when no more points associated with measures are reasonably available⁶ for the project:

- Land Use Category A (Retail Type Uses) = 51 parking spaces.
- Land Use Category B (Office Type Uses) = 259 parking spaces.
- Land Use Category C (Residential Type Uses) = 279 parking spaces.

Given no more measures and points are available for these projects, these projects would be required to park at or below the neighborhood parking rate for their land use category. The Technical Justification document will include the methodology regarding the neighborhood parking rate.

TDM Tool. If the Proposed TDM Ordinance is adopted, the Planning Department will post a Microsoft Excel-based, downloadable TDM Tool on its website. The Proposed TDM Ordinance will require a project sponsor to use the TDM Tool to describe basic project characteristics and select the TDM measures to be included in the TDM Application. The Target in the TDM Tool would be automatically calculated based upon the number of accessory parking spaces proposed for the land use category. The TDM Program Standards will include an instruction manual for the TDM Tool as an appendix.

TDM Plan Application Submittal. If the Proposed TDM Ordinance is adopted, the Planning Department will post a TDM Plan Application on its website. The Ordinance would require a project sponsor to fill out the TDM Application, including a TDM Plan that demonstrates a suite of TDM measures from the TDM Menu of Options that meets the project's target(s). The Proposed TDM Ordinance would require project sponsors to submit a TDM Plan with a first Development Application. The TDM Plan is required to document the project's compliance with the TDM Ordinance and with the TDM Program Standards. A project's final TDM Plan would become conditions of approval for that project.

Monitoring, Reporting, and Compliance. In order to ensure that the TDM Plan is being implemented, the Proposed TDM Ordinance requires a project sponsor to commit to monitoring, reporting, and compliance throughout the life of the project. The monitoring, reporting, and compliance consists of four basic parts: maintaining a TDM coordinator, which may include providing on-site transportation brokerage services; allowing City staff to access the property for monitoring, reporting, and compliance; facilitating a site inspection prior to issuance of a first certificate of occupancy; and submittal of periodic compliance reports.

⁵ Exact number would vary and would need to be determined if a project approaches this number of parking spaces. Given some of the TDM measures are based upon location or the size or type of the land use associated with the project, an approximate number is given, instead of an exact number.

⁶ The Technical Justification Document would document the methodology for identifying the total number of reasonable available points for each land use category, as every measure is not applicable to every land use. In addition, this number of parking spaces assumes the HOV-2 Shuttle Bus Service measure is not available.

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TDM Program Updates. The City may update the TDM Menu consistent with the dynamic nature of the TDM field. The purpose of the updates would be to reflect new findings (literature review, local data collection, best practice research, and/or professional transportation expert opinion) on the efficacy of the measures in the TDM Menu or for measures not previously included in the TDM Menu. Proposed updates could include addition or removal of measures, or adjustment of definition, points, or compliance actions associated with measures. Proposed updates would be made in consultation between staff at the Planning Department, the SFMTA, and the SFCTA. The Planning Director or his/her designee may make minor updates, but the Planning Commission would approve more substantive updates.

The Proposed TDM Ordinance also requires the Planning Department to prepare a report every four years analyzing the implementation of the TDM Program and describing any proposed changes to the TDM Program Standards (e.g., updates to the TDM Menu described above). This report would correspond to the four-year periodic updates to the San Francisco Countywide Transportation Plan prepared by the Transportation Authority. The Planning Department would present such report to the Planning Commission and Board of Supervisors during public hearings.

Exemptions. The TDM Ordinance proposes to exempt one hundred percent affordable housing projects and parking garages and parking lots, as defined in Section 102 of the Planning Code.

These exempt projects would still be subject to any existing applicable Planning Code TDM requirements.

Technical Justification

The Ordinance and Standards documents will be accompanied by a Technical Justification document, which will document the work of the technical working group including an extensive literature review, best practice research, empirical data collection and analysis, and consultation with experts in the field. This document would provide the technical basis for the establishment of Targets and assignment of points to individual measures in the TDM Menu.

Related Code Amendments

The Proposed TDM Ordinance includes several related Planning Code amendments:

1. Revising Section 151: Providing an exception to meeting minimum off-street parking requirements in the case that providing less than the minimum required off-street parking is part of a project's compliance with a TDM Program set forth in the TDM Ordinance.
2. Revising Section 163, which discusses transportation brokerage services, to include a TDM Plan pursuant to the TDM Ordinance and reflecting the latest understanding of effective TDM Plans.
3. Revising Section 367: Establishing a fee structure to fund the costs of administering the TDM Program: an initial one-time administrative fee that would cover development review

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of a TDM Plan and pre-occupancy compliance; a periodic compliance fee for post-occupancy compliance monitoring; and an optional fee to update the TDM Plan after approval. The administrative fees identified in the TDM Ordinance are preliminary in nature and may be updated during the legislative process to reflect a refined understanding of staff time and rates to implement the TDM Program. The administrative fees are an important element of the TDM Program to ensure TDM Plans are being implemented.

The City Attorney has reviewed this report.

PUBLIC OUTREACH

As part of the Invest component of the Transportation Sustainability Program (i.e., Transportation Sustainability Fee) outreach, City staff informed numerous stakeholders of the basic framework of the Shift component.⁷ During adoption proceedings for the Transportation Sustainability Fee and as staff refined the Shift Component proposal, staff has conducted additional outreach to key stakeholders, including: Housing Action Coalition; Council of Community Housing Organizations; San Francisco Human Services Network; Residential Builders Association; Walk SF; San Francisco Planning and Urban Research; residential and commercial real estate developers; Livable City; Seifel Consulting; staff at the Department of Environment, Department of Public Health, and Bay Area Air Quality Management District; elected officials; and Building Owners and Management Association of San Francisco.

On February 11, 2016 the Planning Commission held an informational hearing regarding the Shift component. Since this time, staff has conducted further outreach with the following stakeholders: Market-Octavia Citizens Advisory Committee, Eastern Neighborhoods Citizens Advisory Committee, SFMTA Citizen Advisory Committee, Potrero Boosters Neighborhood Association), an Open House at San Francisco Planning Department, the Environment Commission, and the San Francisco County Transportation Authority Citizens Advisory Committee.

On April 28, 2016, the Planning Commission voted unanimously to initiate the TDM Ordinance legislation.

Upcoming additional outreach includes, San Francisco County Transportation Authority Plans and Programs, and several other neighborhood and business groups. This process would provide further opportunities for public input.

The proposal thus far has incorporated feedback regarding, but not limited to, applicability, point values associated with individual TDM measures or categories of TDM measures, targets for different size projects, family-friendly TDM measures, and the definitions associated with individual TDM measures.

⁷ Refer to September 10, 2015 Planning Commission [staff report](#) for the Transportation Sustainability Fee for a list of those stakeholders

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ALTERNATIVES CONSIDERED

In considering how to address new development's role in minimizing auto trips from project sites, staff considered focusing on parking supply and proposing reducing the amount of parking projects may provide. Because the goal of the program is to not only reduce driving trips, but also support sustainable trip making, the comprehensive approach outlined above was determined to be the best way to proceed.

FUNDING IMPACT

If adopted, the Planning Code's fee schedule would be amended to include an administrative fee to recover costs associated with review and processing of projects' TDM Plans and program updates and initial compliance. It would also establish a periodic compliance fee to recover costs associated with compliance monitoring.

ENVIRONMENTAL REVIEW

On May 13, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the recommendation to adopt the TDM Ordinance is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The Planning Commission will hold a hearing to consider whether to recommend to the Board of Supervisors to adopt the legislation at their July 7, 2016 meeting. Following an affirmative vote by the Planning Commission, the legislation would be forwarded to the Board of Supervisors for their consideration.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors adopt a resolution endorsing the Proposed TDM Ordinance and urging the Planning Commission, Board of Supervisors and the Mayor to adopt the ordinance.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, 2013-2018 SFMTA Strategic Plan includes goals to make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel, and to improve the environment and quality of life in San Francisco; and,

WHEREAS, According to Plan Bay Area 2040, the Bay Area's Regional Transportation Plan and Sustainable Community Strategy, San Francisco is expected to grow by approximately 191,000 jobs and 102,000 households between 2010 and 2040; and,

WHEREAS, This growth will generate an increased demand for transportation infrastructure and services on an already constrained transportation system; and,

WHEREAS, One of the challenges posed by this growth is the increased number of single occupancy vehicle trips, and the pressure they add to San Francisco's limited public streets and rights-of-way, contributing to congestion, transit delays, and public health and safety concerns, and the air pollution, greenhouse gas (GHG) emissions, and noise caused by motorized vehicles, which negatively impact the quality of life in the City; and,

WHEREAS, There is extensive research that demonstrates that TDM measures effectively reduce driving trips and increase trips on foot, bicycle, transit, and by other sustainable modes; and,

WHEREAS, The Planning Commission initiated legislation that would amend the Planning Code to establish a citywide TDM Program for new development; and,

WHEREAS, The proposed legislation seeks to promote sustainable travel modes by requiring new development projects to incorporate design features, incentives and tools that support transit, ride-sharing, walking, and bicycle riding for the residents, tenants, employees, and visitors of their projects; and,

WHEREAS, The goals of the proposed legislation are to help keep San Francisco moving as the city grows, and to promote better environmental, health and safety outcomes, consistent with state, regional and local policies; and,

WHEREAS, On May 13, 2016, the SFMTA, under authority delegated by the Planning Department, determined that the recommendation to adopt the TDM Ordinance is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

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WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors urges the Planning Commission, Board of Supervisors and the Mayor to adopt an amendment to the Planning Code to establish a Transportation Demand Management Ordinance; and let it be

FURTHER RESOLVED, That the Board of Directors of the San Francisco Municipal Transportation Agency endorses legislation establishing the Transportation Demand Management Ordinance.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 7, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency