



SAN FRANCISCO PLANNING DEPARTMENT

For Hearing on: June 5, 2008, **Eastern Neighborhoods Planning Commission Workshop #2**

To: Members of the Planning Commission

Item: **Eastern Neighborhoods Program**—Amendments to the General Plan, Planning Code and Zoning Map, and Interim Historic Preservation Procedures

Case Numbers: 2004.0160M Amendments to the General Plan
2004.0160T Amendments to the Planning Code
2004.0160Z Amendments to the Zoning Map
2004.0160U Interim Historic Preservation Procedures
2004.0160UU Approving Public Benefits Program and Monitoring Procedures
2004.0160E Certification of EIR and CEQA Findings

Staff Contacts: Ken Rich (415-558-6345), Sarah Dennis (415-558-6314)

Action Requested: No action requested; information only

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As discussed at the April 17 initiation hearing, staff will lead a workshop on *Places to Live & Public Benefits*, focusing on proposed controls and strategies around housing, including affordable housing, in the Eastern Neighborhoods; as well as the Plan's program for providing public benefits and neighborhood improvements throughout the four neighborhoods. This review will cover the plans' overall implementation proposal to achieve these neighborhood improvements, including impact fees and other funding sources. This workshop will not focus on the specifics of the neighborhood improvements in each neighborhood; those will be covered in the June 12 workshop (continued from May 22nd). This cover memo contains an outline of proposed topics for that hearing.

This cover memo also attaches the following:

1. An executive summary from Planning Department Staff, describing the findings of the attached Eastern Neighborhoods Financial Analysis & Nexus Studies
2. The Eastern Neighborhoods Financial Analysis, developed by Seifel Consulting Inc.
3. The Eastern Neighborhoods Nexus Studies, developed by Seifel Consulting Inc.

Outline for June 5, 2008 Commission Workshop: Places to Live & Public Benefits,

- I. The Need for Balance – Jobs, Housing *and* Compete Neighborhoods/Public Benefits

- II. Housing
 - a. Goals
 - i. New housing development at a range of incomes
 - ii. A significant percentage of affordable housing
 - b. Keys to Implementation
 - i. Land
 - ii. Policy
 - iii. Financing/ implementation mechanisms
 - 1. Expanded inclusionary program
 - 2. Revenue from program and impact fees
 - c. Target populations – who benefits?
 - d. Projected Outcome – resulting housing projections
 - e. Frequently Asked Questions

- III. Public Benefits
 - a. Goals
 - b. Funding and Implementation
 - i. Existing Sources (Citywide)
 - 1. Existing Impact Fee Programs
 - 2. Funded/ Agency Projects
 - 3. GO Bond funding
 - ii. New Sources (Plan provided)
 - 1. New Zoning Requirements
 - 2. New Affordable Housing Requirements
 - 3. Eastern Neighborhoods Impact Fee
 - 4. State/Federal Grant Submissions
 - iii. Future Sources (Proposed)
 - 1. Tax Increment Financing
 - 2. Benefit/Assessment/Community Facility Districts
 - c. Projected Revenues
 - d. Projected Outcome - the resulting improvements program
 - e. Frequently Asked Questions



SAN FRANCISCO PLANNING DEPARTMENT

MEMORANDUM

TO: Planning Commissioners
FROM: Sarah Dennis, Senior Planner
DATE: May 29, 2008
SUBJECT: Eastern Neighborhoods Financial Analysis & Nexus Studies

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Executive Summary

The proposed zoning accompanying the *Eastern Neighborhoods Area Plans* requires new development to pay a new Eastern Neighborhoods Impact Fee to fund neighborhood-serving infrastructure, including transportation and open space improvements, and in some areas increased affordable, or Below Market Rate (BMR) housing requirements. These new exactions have been carefully calibrated to be aggressive, but in most cases still financially feasible; and also to conform to California's Mitigation Fee Act nexus requirements.

The *Eastern Neighborhoods Financial Analysis*, attached, has been developed to assess the financial feasibility of increasing housing requirements and impact fees in the Plan area. This analysis finds that, in the majority of cases, the anticipated increase in land value generated by the rezoning would be sufficient to absorb the increased development costs associated with the proposed affordable/BMR housing requirements and impact fees while still allowing development to occur. The rezoning would increase land values by increasing development potential, primarily through increases in residential density and height. However, not all sites receive enough added value from increased development potential to absorb the commensurate increases in exactions. In these circumstances, increased affordable housing and impact fee requirements may reduce the economic incentive to redevelop some parcels in the Plan areas and thus may preserve existing uses on these parcels.

The *Eastern Neighborhoods Nexus Studies*, attached, demonstrate the relationship between the proposed new fees and the impacts resulting from the projected new development in the Eastern Neighborhoods resulting from the rezoning, specifically the cost of providing new public infrastructure to meet increased demand from new residents and workers.

Eastern Neighborhoods Financial Analysis

From the Department's perspective, it is important that the proposed new fees and affordable/BMR affordable housing requirements be financially feasible in order to further the City's policy goal to provide a significant amount of new housing in the Eastern Neighborhoods. Accordingly, the proposed Plan looks at the imposition of new impact fees and affordable/BMR housing requirements in the context of anticipated increases in land value conferred by the rezoning. In the majority of the Urban Mixed Use (UMU) district, for example, the rezoning allows for greater residential development potential than is currently permitted, which enables these areas to absorb new exactions while still receiving, in most cases, an increase in site value.

The Eastern Neighborhoods Area Plans propose a number of regulatory and zoning changes that in many circumstances may translate into increased development potential and land value:

- General qualitative improvements brought about by the implementation of the plans, such as increased neighborhood open space, transportation and community facilities;
- Entitlement process improvements, including reductions in the time required for environmental (CEQA) analysis through the use of Community Plan exemptions or by tiering off the Eastern Neighborhoods EIR, and a streamlined entitlement process for the majority of residential projects (e.g., elimination of the Conditional Use authorizations in many cases).
- In some cases, specific and quantifiable increases in residential density and/or height.

The attached *Eastern Neighborhoods Financial Analysis* reviews the financial impact of this last set of changes—specific increases in residential density and height—by comparing estimated residential development potential and land values under current conditions against conditions after the rezoning. The analysis does not quantify the potential financial benefits of the qualitative and process improvements described above because there is no readily available metric or standard methodology for assessing these types of diffuse benefits.

In many cases, after the costs of new impact fees and affordable/BMR housing requirements are taken into account, this policy still results in a net financial gain for many property owners, which is intended to provide a financial incentive for the redevelopment of underutilized sites.

The attached Financial Analysis reviews the plan’s proposed exactions, including both impact fees and affordable/BMR housing requirements, utilizing a residual land value model to determine current land values and then assesses the potential economic impact of the new impact fees and affordable/BMR housing requirements given the zoning changes. The analysis finds that:

- In many cases, the rezoning results in increased development potential and a corresponding increase in land values sufficient to absorb the increased costs related to the new impact fee and BMR housing requirements, while still allowing an increase in property value that can translate into higher sales prices for landowners. However, it should also be noted that over 60% of “soft” sites (i.e. likely to redevelop) do not receive increases in height; accordingly these sites receive the majority of their increased development potential from increased residential density. Of the remaining soft sites, approximately 27% receive modest height increases of one to two stories, while another 11% receive significant height increases of three or more stories.
- Within the UMU, the new Land Dedication and Middle Income Housing¹ alternatives are roughly equivalent to the proposed inclusionary BMR housing option for a majority of sites. However, should the Commission wish to promote these new options as preferable alternatives, it may wish to consider slight increases to the conventional inclusionary affordable/BMR housing option so that the alternatives receive comparatively higher returns.
- In areas where no significant increase in development potential occurs – specifically where the rezoning does not increase heights, or where existing zoning currently allowed high residential

¹ Please note the attached financial analysis reviews proposed middle income requirement of 30-35% for Tier A and 35-40% for Tier B, which are slightly lower than the Department proposed levels of 30-40% and 40-50%. These represent the maximum requirements found to be feasible per this analysis. Therefore, staff would recommend that the Commission adopt requirements at the level deemed feasible by this analysis.

densities (such as the Heavy Commercial/C-M District) - some parcels may decline in relative value due to the increased cost burdens of higher impact fees and affordable/BMR housing requirements. This decline in relative value may discourage housing or other redevelopment, and as a result may preserve existing uses on these parcels, resulting in an eclectic mix of new housing and former industrial uses in the UMU. While this supports another desired policy outcome, effectively preserving the mixed-use nature of some UMU neighborhoods, it may also limit the production of affordable/BMR housing.

As discussed above, the Financial Analysis employs a valuation methodology called residual land value to assess the economic impact of the proposed exactions. This methodology estimates both current and future land values by analyzing development potential, assuming a fixed rate of return (or profit) for the developer, and then “backing in” to a residual land value once all costs of development are netted out of potential total revenues for a given development on a site. One of the challenges with employing this methodology in a heterogeneous market like the Eastern Neighborhoods is that its estimates of land value may not correspond to actual market values, thus limiting the value of its conclusions for policy decisions. Accordingly, the Mayor’s Office of Economic and Workforce Development (MOEWD) commissioned a separate study by Clifford Associates, a professional land appraiser, to evaluate current land values in the Eastern Neighborhoods through comparisons of actual sales in the Eastern Neighborhoods over the last three years.

The results of the Clifford study confirm that the current land values estimated by the Financial Analysis are generally consistent with current average land values based on comparable land sales, which supports the overall findings of the Financial Analysis. However, it should be noted that in many cases, the Financial Analysis assumes that land owners would accept a substantial lower land value *per unit* after the rezoning than current market comparables would support, as that lower per unit value still sums to an overall higher land value *in total* for the parcel². But landowner’s actual expectations for value may not always conform to the analysis’ more rational assumptions about market behavior, so there is the possibility that some properties that receive increases in value could be held off the market or land-banked by the owner due to expectations of a higher return at a later date.

MOEWD’s subsequent evaluation of the Financial Analysis also included a cautionary note that the current volatility in the residential real estate market, in particular tight real estate finance markets, the flattening of sales prices in San Francisco and nationwide increases in the cost of steel could jeopardize the financial feasibility of many residential projects that would otherwise pencil on current conditions.

Eastern Neighborhoods Nexus Studies

The attached *Eastern Neighborhoods Nexus Studies* meets California’s Mitigation Fee Act nexus requirements. It discusses the nexus between residents and workers associated with new

² For example, in Table 5b, while the *total* land value of the hypothetical M-2 property increases 10.5% after the rezoning, the model also assumes that the landowner would be willing to sell their property at a price of \$40,117 per unit, a per unit price substantially lower than prevailing market rates (ranging from \$60,000 to \$126,000 per unit).

development and increased needs for community facilities (library materials and child care), transportation, and recreation and parks facilities. Summarized, the findings of this study are:

- The maximum Eastern Neighborhoods nexus amount for residential development is \$21.21 per gross square foot.
- The amounts for each category of non-residential development ranges; however, as the Eastern Neighborhoods Area Plans propose to assess a single fee for all nonresidential development, the maximum Eastern Neighborhoods nexus amount for nonresidential development (not including industrial development) is \$25.71 per gross square foot.

Typically, impact fees are set to recover approximately 85% of the costs attributable to new development, to avoid duplication of fees or overcharging. The Plan's proposal follows this standard practice, setting fees below the maximum level determined to be legally justifiable at approximately 80% of the nexus amount determined by the *Eastern Neighborhoods Nexus Studies*.

It should be noted that while the nexus studies provide the City the legal justification to charge up to the maximum, such a high assessment in all cases would undercut the economic feasibility of building projects and potentially lead to parcels that continue to be underutilized, stagnation of development, and little new affordable or middle income housing. To avoid these consequences, the proposed fee structure reduces the Eastern Neighborhoods Impact Fee for parcels that do not receive substantial increases in development potential. The result is a tiered set of fees that is scaled downward from the maximum nexus amount, carefully balanced to encourage developers to take the risk of initiating projects under the new zoning while collecting sufficient and justifiable fees to offset the impact of new growth and provide neighborhood amenities and community benefits.

It should be noted the proposed impact fees only addresses *new* needs resulting from new development anticipated by the rezoning. The proposed impact fees cannot legally address existing deficiencies. These and other community needs, such as neighborhood-serving retail, are difficult to address in a nexus study given the constraints of the California Mitigation Fee Act, are best addressed through other measures. Many of these needs and measures are outlined in the *Eastern Neighborhoods Public Benefits Program* and its accompanying Needs Assessment. Other community benefits, such as school fees and the proposed increase in BMR affordable housing requirements are already addressed by existing nexus studies completed by the City of San Francisco.

Memorandum

May 22, 2008

To: Sarah Dennis, San Francisco Planning Department

From: Elizabeth (Libby) Seifel, Jessica Zenk, Helen Oliver

Subject: Eastern Neighborhoods Impact Fee and Affordable Housing Analysis

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Seifel Consulting Inc. (Seifel) is pleased to deliver this memorandum summarizing its analysis of zoning changes, policies and fees associated with the Eastern Neighborhoods Rezoning and Public Benefits Program. This memorandum briefly outlines the project background, methodology and key findings of our analysis. The attached tables summarize the assumptions used in the analysis, the proposed policies that are evaluated, and the financial analyses performed on typical sites in the Eastern Neighborhoods.

Project Background and Methodology

Seifel has worked with the San Francisco Planning Department and other City representatives on the Eastern Neighborhoods Public Benefits Program since 2006. In Spring of 2007, the Planning Department requested that Seifel analyze the impact of zoning, height and density changes, proposed development impact fee alternatives and affordable housing policies on Eastern Neighborhoods parcels, particularly within areas being “upzoned” as part of the Eastern Neighborhoods Rezoning. Upzoning within the Eastern Neighborhoods occurs through increased in height limits and/or the removal of existing density limits. These changes allow more units and/or developable square footage that can generate greater value to property owners and developers. However, value increases are offset to some extent by higher development costs and fees associated with taller, denser development types.

Seifel developed land residual models to compare the estimated value of land today (based on building a residential development under existing height and bulk restrictions) to the value under proposed zoning and regulations. Land residual models calculate the potential amount a developer would be willing to pay for land given anticipated revenues, building costs, and a target rate of return that justifies the development investment. The residual land value is the difference between what a developer expects to receive in revenues, for example from the sale of condominium units, less all costs associated with constructing and developing the buildings, including the developer’s and investor’s return on investment. Land residual models are useful for comparing the impact of different policy options on land values because they can test and compare the results under a variety of site specific conditions and development assumptions.

An April 2008 study of land values in the Eastern Neighborhoods commissioned by the Mayor's Office of Economic and Workforce Development (MOEWD) found that recent historical land sales transactions exhibit values consistent with the residual land results shown in this analysis.

Seifel used revenue and cost assumptions for different building types utilized by Keyser Marston Associates (KMA) in their 2006 Citywide Inclusionary Housing study. These assumptions were vetted through an extensive technical advisory process. As necessary, Seifel modified these assumptions in conjunction with Planning Department staff and other stakeholders to reflect the Eastern Neighborhoods and adjust for inflation. Table A explains the assumptions and calculation methodology underlying the land residual analysis. KMA is currently in the process of updating its 2006 Sensitivity Analysis (then used to assess the impact of increases to inclusionary housing requirements) to review the effect of potential fee increases Citywide. Seifel has compared its assumptions to the preliminary findings from this update, and found that our assumptions are generally consistent with the updated figures. As detailed below, Seifel tested major differences in assumptions to confirm that they did not significantly impact the results.

Seifel analyzed a variety of residential development and policy scenarios that evolved as the proposed rezoning and public benefits programs progressed in response to the Planning Department's work with various Eastern Neighborhoods stakeholders. The analysis presented below reflects the current proposal for the Eastern Neighborhoods Impact Fee and affordable housing requirements in the Eastern Neighborhoods. Table B summarizes this proposal.

Parcels in the Eastern Neighborhoods fall into two categories, those in existing residential or commercial zoning districts and those in formerly industrial zones. In existing residential/commercial zones, residential development is currently permitted as-of-right, while in the formerly industrial zones residential development currently requires a conditional use. In both zoning categories, the proposed fee amount and/or affordable housing requirement depends on the amount of height increase a parcel will receive through the rezoning, divided into three tiers.

Properties that receive no increase in height, although they may realize an increase in development potential through the removal of a density limit, are included in the first set of policy tiers. Properties with height increases of one to two stories are included in the second set of tiers, and those with three to four story height increases are placed within the third tiers. In the existing residential/commercial zones, the amount of the Eastern Neighborhoods Impact Fee increases by tier (Tiers 1 – 3), and in the formerly industrial zones the Eastern Neighborhoods Impact Fee stays constant but the affordable housing obligation increases by tier (Tiers A – C). As discussed further below, properties in the formerly industrial zones have several options for fulfilling their affordable housing obligation.

Key Findings

Seifel analyzed the impact of the proposed fees and affordable housing policies on sample sites throughout the Eastern Neighborhoods. Initial analysis utilized real sites that exhibited a variety of characteristics typical of the Eastern Neighborhoods (e.g. parcel sizes, density limits and height limits). For presentation and comparison purposes, the examples shown here have been standardized to primarily reflect 20,000 square foot parcels and limited to one example per policy tier for most tiers. When sites with different rezoning characteristics fall into the same tier, Seifel tested a variety of possible height and density change combinations. The example shown is either the most common rezoning change or, when no rezoning change is especially dominant, the change that exhibits results in the middle of the observed range. Table C contains a summary of results for example parcels, with detailed land residual analyses following in Tables 1-9. In general, estimated residual land values and profitability for development in areas being “upzoned” will increase as a result of the proposed policies, despite higher fees and affordable housing requirements.

The data and analysis presented in this memorandum and the attached tables have been gathered from the most reliable sources available to Seifel Consulting Inc. This information has been assembled and analyzed for the sole purpose of establishing reasonable estimates for changes in residual land value associated with the proposed Eastern Neighborhoods Rezoning and Public Benefits Program. However, actual development impacts may vary from the estimates presented in this package.

Existing Residential/Commercial Zones

All new residential development on properties in zones where residential uses are currently permitted as of right would be subject to existing inclusionary housing requirements and Tier 1 impact fees. Tier 1 represents the minimum level of residential impact fees, estimated at \$10 per net residential square foot (nsf) or \$8 per gross residential square foot (gsf).¹ Tier 2 and 3 properties would pay impact fees estimated at \$15/nsf (\$12/gsf) and \$20/nsf (\$16/gsf), respectively, and are subject to existing inclusionary housing requirements. The analysis demonstrates that the residual land values of typical properties being upzoned in all three tiers would increase. However, both existing density restrictions and whether a building must use a more expensive construction type in order to reach its maximum allowable height affect the potential value change for a typical site.

Table 1a illustrates that the residual land value of a typical Tier 1 property constrained by existing density caps would increase. Table 1b shows that, for properties not currently constrained by a density cap and not rezoned for increased height, the full cost of the new impact fees would not be offset by additional value conferred by proposed zoning changes. For

¹ Impact fees are presented in this analysis in dollars per net square foot rather than per gross building area. The Planning Department proposes to charge the Eastern Neighborhoods Impact Fee on gross square foot. Building efficiencies of 80 percent are used to translate fees quoted in net square foot to gross square footage.

these properties, typical land residual values and/or profitability would be less under the proposed policies as compared to current zoning.² However, this analysis does not attempt to quantify all of the benefits of the proposed Eastern Neighborhoods Program, which will include neighborhood improvements and amenities and cost savings from streamlined environmental review.³ In addition, the resulting residual land value of \$268 per lot square foot is still higher than the average historical Eastern Neighborhoods land value estimated in the MOEWD study (\$187/lst).

Table 2 shows the estimated change in residual land value associated with an increase in height from 40 to 65 feet, a two-story increase that also necessitates a change from low-rise to mid-rise construction. This scenario represents the middle of the likely results for properties in Tier 2. Sites that increase in height from 40 to 55 feet (no change of construction type) would experience a greater increase in residual land value, while land values for properties that increase in height from 50 to 65 feet are not likely to increase under current market conditions, especially if they do not receive a density increase.

Table 3 estimates the change in residual land value stemming from a height increase from 40 to 85 feet. Despite higher construction costs associated with developing mid-rise buildings, the rezoning results in higher residual land values and profits. As described above, KMA is in the process of updating assumptions used in its 2006 Inclusionary Housing analysis. Preliminary analyses indicate higher per-square-foot cost and revenue figures for 85-foot buildings than those used in this analysis and shown in Table 3. Seifel tested these differences in assumptions to confirm that they did not significantly impact the results. We found that, given both higher costs and revenues, the increase in residual land values and profitability may be even greater than is shown in Table 3.

Formerly Industrial Zones

The proposed zoning designation of Urban Mixed Use (UMU) would require increased affordable housing contributions in the formerly industrially zoning districts of the Eastern Neighborhoods. Under the policy proposal, developers would need to meet these obligations through higher inclusionary housing requirements (superinclusionary) under the City's existing Inclusionary Housing Program or through two new alternatives, providing housing affordable to middle income households or dedicating land for the development of affordable housing, as detailed in Table B. The level of obligation for each affordable housing option increases from the Citywide base of existing inclusionary requirements (15 percent onsite and 20 percent in-lieu fees) for Tiers A, B and C. All projects within the UMU would be subject to the minimum level of residential impact fees (estimated at \$10/nsf or \$8/gsf). Seifel did not analyze the

² In addition to the imposition of an impact fee, the proposed zoning regulations would limit parking to .75 spaces per unit (.75:1) for one-bedroom units. The reduction in parking would reduce land values and profitability slightly, because the market value of a parking space is assumed to be higher than the cost to construct a space.

³ The Program also permits housing as-of-right throughout the Eastern Neighborhoods, but the benefit of removing the conditional use requirement only applies to the formerly industrial zones.

proposed policies in Tier C because currently almost no privately owned-parcels would fall under this tier.

The analysis indicates that residual land values and profitability are generally higher under proposed zoning and requirements than under current zoning. As residential development on most parcels is currently constrained by a density cap of 800 or 600 lot square feet per unit, most properties in the formerly industrial zones will be able to support higher affordable housing requirements once this cap is removed, regardless of changes in height. Even on sites with no increase in height (Tier A), the removal of density caps are expected to offset the cost of new affordable housing requirements and the Eastern Neighborhoods Impact Fee. More significant increases in height (Tier B) confer greater development potential.

As shown in Tables 4 and 5, increased development potential conferred through rezoning will offset affordable housing obligations on typical sites that choose the middle income option. Similarly, land values and/or profitability are higher on typical sites under the land dedication option than they are under current zoning (Tables 6 and 7). The superinclusionary option also yields higher values and/or profits under predominant rezoning changes (Tables 8 and 9). Again, the impact of these policies on a specific property will depend on the specific height change proposed and other existing site constraints.

Acknowledgements

Seifel consulted with many organizations and individuals throughout the course of this project. We would like to acknowledge the contributions of the Planning Department, the Mayor's Office of Housing, the Mayor's Office of Economic and Workforce Development, the Housing Action Coalition, the SPUR Housing Board and Affordable by Design Taskforce, Keyser Marston Associates, Clifford Associates, participants of the May 2007 and March 2008 stakeholders meetings, and various real estate market and development professionals who shared information.

Attachments:

- Table A: Development Assumptions
- Table B: Summary of Tiers and Policy Proposals (Residential Development)
- Table C: Summary of Financial Results (Residential Development)
- Tables 1-9: Land Residual Models

Table A
Development Assumptions
San Francisco Eastern Neighborhoods

A.1 Building Prototypes

	Building Prototype EN-1 Low Rise Podium	Building Prototype EN-2 Mid Rise Podium 1	Building Prototype EN-3 Mid Rise Podium 2
Zoning Standards			
Existing Zoning	NC, RM-2, RSD, M-1, M-2, SSO, SSD, SLR	N/A	N/A
Proposed Zoning	MUR, NCT, RTO, MUP/UMU	MUP/UMU, MOU, RTO	MUR/UMU
Development Program			
Building Type ^a	Type V (Wood Frame)	Type II (Steel Frame)	Type I (Concrete/Steel)
Height	40 to 55 Feet	65 Feet	85 Feet
Total Stories	4 to 5 Floors	6 Floors	8 Floors
Ground Floor	PDR/Commercial/Parking--No Revenue from Ground Floor		
Residential Stories	3 to 4 Floors	5 Floors	7 Floors
Residential Lot Coverage	75%	75%	75%
Residential Building Efficiency	80%	80%	80%
Average Unit Size (Net) ^b	700 to 1,200 Square Feet	700 to 925 Square Feet	925 Square Feet
Revenue			
Market Rate Sales Price ^{a,b}	\$717 to \$792 Per NSF	\$780 to \$819 Per NSF	\$832 to \$875 Per NSF
Below Market Rate Sales Price ^b	See below	See below	See below
Moderate Income Sales Price ^b	See below	See below	See below
Sales Expense	4.0%	4.0%	4.0%
Building Costs			
Hard Construction (incl. parking) ^{a,b}	\$276 to \$320 Per NSF	\$313 to \$333 Per NSF	\$351 to \$370 Per NSF
Governmental Fees			
<i>Permits and Processing Charges^a</i>	\$6,000 Per Unit	\$6,000 Per Unit	\$6,000 Per Unit
<i>Add'l 2007 Water and Sewer Impact Fees^c</i>	\$508 Per Unit	\$508 Per Unit	\$508 Per Unit
<i>Inclusionary Housing In-Lieu Fee^d</i>	\$0 Per Unit	\$0 Per Unit	\$60,000 to \$82,000 Per Unit
<i>School Impact Fee^e</i>	\$2.24 Per NSF	\$2.24 Per NSF	\$2.24 Per NSF
<i>Eastern Neighborhoods Impact Fee^e</i>	\$10 Per NSF	\$10-\$15 Per NSF	\$10-\$20 Per NSF
	\$8 Per GSF	\$8-\$12 Per GSF	\$8-\$16 Per GSF
Other Soft Costs ^{a,f}	\$100 Per NSF	\$100 Per NSF	\$100 Per NSF
Construction Financing ^{a,f}	\$28 Per NSF	\$33 Per NSF	\$36 Per NSF
Total Building Costs	\$414 to \$469 Per NSF	\$469 to \$492 Per NSF	\$584 to \$606 Per NSF
Developer Returns			
Return on Net Sales ^{a,g}	15.4%	17.5%	18.5%

- a. Assumptions regarding building type, market rate sales value, hard construction costs, permitting/processing and school impact fees, construction financing, other soft costs, and developer returns based on Keyser Marston Associates (KMA) building prototypes produced for the Citywide Inclusionary Housing study (July 2006). Assumptions for the 65 foot building prototype were developed as a blend of the low rise and 85 foot prototypes, since KMA did not model 65 foot buildings. Cost and revenue assumptions have been adjusted to reflect current market conditions, construction and other cost increases, and variations due to unit size and parking. Tables on the next page detail these adjustments. As of May 2008, KMA is in the process of updating its assumptions based on a review of current pro formas. Seifel compared the adjusted assumptions used in this analysis to draft versions of the KMA updated assumptions and found them to be generally consistent. Some KMA updated assumptions are higher for both hard construction costs and revenues, reflected in this table as the upper end of the indicated ranges.
- b. Assumptions and methodology underlying ranges described in Tables A.2 through A.5.
- c. Increased water and sewer fees effective in 2007 and not included in KMA's 2006 "Permits and Processing Charges."
- d. Buildings up to 65 feet assumed to meet inclusionary housing requirement through onsite production rather than in lieu fee. 85 foot buildings assumed to pay in lieu fee, with the average fee per unit depending on the unit mix and the required inclusionary percentage.
- e. Fee to be charged under proposed zoning only. Fee range depends on level of upzoning per the Eastern Neighborhoods Plan. Fee will be charged per gross residential square foot, assumed to be 80% of net residential square foot fees used in this analysis.
- f. Construction financing and other soft costs increased 5% per year (10.25% total) over KMA prototype values.
- g. Return on net sales targets correspond to return on cost values that KMA determined were feasible in its 2006 analysis. Feasibility was determined by comparing return on cost results to profit target ranges established and agreed upon by the Technical Advisory Committee (TAC). The equivalent return on cost figures are 18.3%, 21.2% and 22.7% for 50 foot, 65 foot and 85 foot buildings, respectively.

**Table A
Development Assumptions
San Francisco Eastern Neighborhoods**

A.2 Unit Size and Mix

Zoning/Building Constraints	Average Unit Size	Unit Mix (Studio/1BR/2BR/3BR)
1:800 density or 55' height limit	1200 sf	0% 0% 80% 20%
1:600 density or 40' height limit	1030 sf	0% 60% 30% 10%
no density limit, restricted unit mix	925 sf	0% 60% 30% 10%
no density limit, unrestricted unit mix	700 sf	30% 70% 0% 0%

A.3 Hard Construction Cost Adjustment Assumptions

	Low Rise Podium	Mid Rise Podium 1	Mid Rise Podium 2
Baseline			
Base Hard Construction (incl. parking) ^a	\$275 Per NSF	\$300 Per NSF	\$330 Per NSF
Less included parking costs ^b	(\$32) Per NSF	(\$32) Per NSF	(\$32) Per NSF
Base Hard Construction (excl. parking)	\$243 Per NSF	\$268 Per NSF	\$298 Per NSF
Parking			
Parking Cost - Above Ground Structured ^c	\$20,000 Per Space	\$20,000 Per Space	\$20,000 Per Space
Parking Cost - Below Ground ^c	\$40,000 Per Space	\$40,000 Per Space	\$40,000 Per Space
Parking Space Size	350 Square Feet	350 Square Feet	350 Square Feet
Parking Ratio ^d	Parking ratio varies with zoning and assumed unit mix from .75:1 to 1:1		
Parking Location ^e	Above	Above or Above/Below	Above or Above/Below
Inflation			
Construction cost inflation 2006-2008 ^f	5% Per year	5% Per year	5% Per year
Unit Size			
925 - 1,030 square feet	No further cost adjustments due to unit size differences		
700 square feet	\$10 Per NSF incr.	\$10 Per NSF incr.	\$10 Per NSF incr.
1,200 square feet	-\$10 Per NSF decr.	-\$10 Per NSF decr.	-\$10 Per NSF decr.

- a. KMA prototypes assumed one parking space per unit, located one story above ground and one story below ground.
- b. Estimated cost of parking included in KMA hard construction costs based on parking ratio and location.
- c. Costs based on Planning Department and Mayor's Office of Housing estimates used for BMR unbundled parking policy and other City analyses.
- d. Parking ratio under current zoning is 1:1. Under proposed zoning, maximum parking will be .75:1 for 0-1 bedroom units and 1:1 for larger units. For most examples, the overall parking ratio is assumed to be .85 under proposed zoning, reflecting the requirement of 40% 2 bedroom or larger units.
- e. Above ground parking assumed except where the required parking area exceeds the available ground floor area. Available ground floor area equals 100% of lot area less 1,000 square feet for entryway/lobby space.
- f. Engineering News Record (ENR), Building Cost Index (BCI) for San Francisco. Total inflation factor is 10.25% over 2 years.

A.4 Market Rate Sales Adjustment Assumptions

	Low Rise Podium	Mid Rise Podium 1	Mid Rise Podium 2
Baseline			
Base Market Rate Sales Price ^a	\$725 Per NSF	\$750 Per NSF	\$800 Per NSF
Parking			
Market Value of Parking Space ^b	\$50,000 Per Space	\$50,000 Per Space	\$50,000 Per Space
Market Conditions			
Change in market prices 2006-2008 ^c	+2% Per year	+2% Per year	+2% Per year
Unit Size			
925 - 1,030 square feet	No further price adjustments due to unit size differences		
700 square feet	5% price increase	5% price increase	5% price increase
1,200 square feet	-5% price decrease	-5% price decrease	-5% price decrease

- a. Base market rate sales price includes one parking space per unit.
- b. Price of market rate units without parking assumed to be less than base value by this amount. Average market rate sales price adjusted in proportion to each building's parking ratio.
- c. Sales price adjustments applied to base prices before adjustment for parking.

Table A
Development Assumptions
San Francisco Eastern Neighborhoods

A.5 Below Market Rate Assumptions

	Inclusionary/Standard BMR		Middle Income
	Unit Pricing	In Lieu Fee ^a	Unit Pricing
Pricing Assumptions			
Average Income Level ^b	100% SFMI		135% SFMI
% of Income Available for Housing	33%		35%
Downpayment	10%		10%
Interest Rate ^c	6.62%		6.62%
Sample Base Price			
Studio	\$181,300	\$192,900	\$284,000
1 BR	\$209,100	\$263,900	\$326,400
2 BR	\$237,200	\$353,600	\$369,200
3 BR	\$265,200	\$396,100	\$411,900
Unbundled Parking Assumptions^d			
Price of Units without Parking	Base price less cost of building parking (using cost assumptions above, pro rated by overall building parking ratio).		Same as standard BMR.
Price of Units with Parking	"No parking" price plus market value of parking space.		Same as standard BMR.

a. In lieu fee is paid per offsite inclusionary unit required. Average in lieu fee over all project units is the total fee times the inclusionary percentage. 2008 in lieu fee is estimated at 3% above 2007 fees.

b. Based on 2008 San Francisco Median Income (SFMI) published by the Mayor's Office of Housing (MOH).

c. 10 year rolling average, per MOH standard pricing calculations. See MOH website for standard assumptions on tax rate and HOA dues.

d. See MOH website for full description of the BMR unbundled parking policy.

Source: San Francisco Planning Department, Mayor's Office of Housing, Mayor's Office of Economic and Workforce Development, 2006 Citywide Inclusionary Housing Study, Keyser Marston Associates, interviews and meetings with developers, contractors, brokers, and other stakeholders in the Eastern Neighborhoods, Seifel Consulting Inc.

**Table B. Summary of Tiers and Policy Proposals - Residential Development^a
San Francisco Eastern Neighborhoods**

Site Zoning Height Change	Existing Residential/ Commercial Zones ^b		Formerly Industrial Zones ^c				
	Tier	All Sites	Tier	Middle Income ^d		Land Dedication ^g	Super Inclusionary
				Restricted Unit Mix ^e	Unrestricted Unit Mix ^f		
• No Change in Height	Tier 1	EN Fee: \$10/NSF	Tier A	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF
		IH: 15% onsite, 20% offsite		30% MI @ 135% of AMI	35% MI @ 135% of AMI	35% of Developable Lot SF	IH: 18% Onsite, 23% Offsite
• 1-2 Story Height Increase	Tier 2	EN Fee: \$15/NSF	Tier B	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF
		IH: 15% onsite, 20% offsite		35% MI @ 135% of AMI	40% MI @ 135% of AMI	40% of Developable Lot SF	IH: 20% Onsite, 25% Offsite
• 3-4 Story Height Increase	Tier 3	EN Fee: \$20/NSF	Tier C	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF	EN Fee: \$10/NSF
		IH: 15% onsite, 20% offsite		40% MI @ 135% of AMI	45% MI @ 135% of AMI	45% of Developable Lot SF	IH: 22% Onsite, 27% Offsite

a. Policies and residual analysis for residential development only.

b. Proposed Zoning categories MU, MR, NCT, RTO, MUR (current zoning categories SLR, SSO, NC, RM, RSD).

c. Urban Mixed Use (UMU) Proposed Zoning category (current zoning categories M-1, M-2, C-M).

d. Units to be affordable to households between 120 and 150 percent of AMI, with an average affordability level of 135 percent. Households are assumed to spend 35 percent of income on housing.

e. 40 percent of units in a development required to be 2BR units or larger.

f. No restriction on unit mix; unit mix assumed to include more studio and one-bedroom units.

g. Land dedication option to permitted given MOH determination that a sufficient number of affordable housing units can be developed on dedicated land. Property owners may be allowed to pool resources and dedicate an offsite lot within the neighborhood. Land dedication may be allowed in the non-UMU districts given appropriate lots.

Source: San Francisco Planning Department, Seifel Consulting Inc.

**Table C. Summary of Impacts of Rezoning and Public Benefits Program - Residential Development
San Francisco Eastern Neighborhoods**

Site Zoning Height Change	Indicator of Land Value and Profitability Under Proposed Zoning Requirements	Existing Residential/ Commercial Zones		Formerly Industrial Zones					
		Tier	All Sites	Tier	Middle Income	Land Dedication	Super Inclusionary		
• No Change in Height	Example: Δ land value (\$): profit - target (%) & Δ (\$): land value/unit:	Tier 1	Table 1a	Table 1b	Tier A	Table 4-R	Table 4-UR	Table 6	Table 8
			+\$1,000,000	-\$592,000		+\$895,000	+\$1,238,000	+\$1,840,000	+\$1,798,000
			15.4% & +\$1,028,000	15.4% & -\$48,000		15.4% & +\$1,728,000	15.4% & +\$1,883,000	15.4% & -\$706,000	15.4% & +\$1,892,000
			\$103,000	\$103,000		\$79,000	\$65,000	\$158,000 ^a	\$96,000
• 1-2 Story Height Increase	Example: Δ land value (\$): profit - target (%) & Δ (\$): land value/unit:	Tier 2	Table 2		Tier B	Table 5-R	Table 5-UR	Table 7	Table 9
			+\$360,000			+\$377,000	+\$733,000	+\$1,313,000	1,437,000
			17.5% & +\$3,618,000			15.4% & +\$1,633,000	15.4% & +\$1,791,000	17.5% & +\$2,084,000	15.4% & +\$1,826,000
			\$71,000			\$69,000	\$58,000	\$133,000 ^a	\$89,000
• 3-4 Story Height Increase	Example: Δ land value (\$): profit - target (%) & Δ (\$): land value/unit:	Tier 3	Table 3		Tier C	Not tested because almost no privately-owned parcels currently fall into this Tier			
			+\$463,000						
			18.5% & +\$8,701,000						
			\$54,000						

a. Per unit land values based on units within market rate project; adjusting to reflect units lost due to land dedication, unit values are \$103,000 and \$80,000 for examples 6 and 7 respectively.

Source: San Francisco Planning Department, Seifel Consulting Inc.

Table 1a
Residual Land Value
Tier 1, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning NC	Proposed Zoning NCT	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1,200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	33 Units	52 Units	19 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	28 Units	44 Units	16 Units
Number of BMR Units ^e	5 Units	8 Units	3 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit	\$690,987 Per MR Unit	
Base Price of BMR Units ⁱ	\$242,771 Per BMR Unit	\$223,134 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$24,413,318 \$739,798 Per Unit \$616 Per NSF	\$31,086,739 \$597,822 Per Unit \$646 Per NSF	\$6,673,421
Building Costs^a			
Hard Construction (incl. parking)	\$276 Per NSF	\$289 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Additional 2007 Water and Sewer Impact Fees</i>	\$508 Per Unit	\$508 Per Unit	
<i>Inclusionary Housing In-Lieu Fee^j</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>Eastern Neighborhoods Impact Fee^k</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$16,295,730 \$493,810 Per Unit \$412 Per NSF	\$20,941,517 \$402,721 Per Unit \$435 Per NSF	\$4,645,787
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 3,759,651 \$113,929 Per Unit	\$ 4,787,358 \$92,065 Per Unit	\$1,027,707
Land Value			
Per Unit	\$132,059 Per Unit	\$103,036 Per Unit	-\$29,023 Per Unit
Per Net Residential Square Foot	\$110 Per NRSF	\$111 Per NRSF	\$1 Per NRSF
Per Gross Residential Square Foot	\$88 Per GRSF	\$89 Per GRSF	\$1 Per GRSF
Per Lot Square Foot	\$218 Per LSF	\$268 Per LSF	\$50 Per LSF
Per Acre of Land	\$9,491,587 Per Acre	\$11,669,429 Per Acre	\$2,177,842 Per Acre
Representative Site Land Value	\$4,357,937	\$5,357,865	\$999,928
<i>Site value increase as a percent of current zoning base</i>			22.9%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.

e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.

f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).

g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.

k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.

l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 1b
Residual Land Value
Tier 1, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning SSD	Proposed Zoning MUR	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	200 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	13 Units	13 Units	
Maximum Units ^d	52 Units	52 Units	0 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	44 Units	44 Units	0 Units
Number of BMR Units ^e	8 Units	8 Units	0 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$754 Per Net Square Foot \$697,718 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$697,718 Per MR Unit	\$690,987 Per MR Unit	
Base Price of BMR Units ⁱ	\$223,134 Per BMR Unit	\$223,134 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$31,399,943 \$603,845 Per Unit \$653 Per NSF	\$31,086,739 \$597,822 Per Unit \$646 Per NSF	-\$313,204
Building Costs^a			
Hard Construction (incl. parking)	\$292 Per NSF	\$289 Per NSF	
Governmental Fees	\$9 Per NSF	\$19 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Additional 2007 Water and Sewer Impact Fees</i>	\$508 Per Unit	\$508 Per Unit	
<i>Inclusionary Housing In-Lieu Fee^j</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>Eastern Neighborhoods Impact Fee^k</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$20,614,867 \$396,440 Per Unit \$429 Per NSF	\$20,941,517 \$402,721 Per Unit \$435 Per NSF	\$326,650
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 4,835,591 \$92,992 Per Unit	\$ 4,787,358 \$92,065 Per Unit	-\$48,233
Land Value			
Per Unit	\$114,413 Per Unit	\$103,036 Per Unit	-\$11,377 Per Unit
Per Net Residential Square Foot	\$124 Per NRSF	\$111 Per NRSF	-\$12 Per NRSF
Per Gross Residential Square Foot	\$99 Per GRSF	\$89 Per GRSF	-\$10 Per GRSF
Per Lot Square Foot	\$297 Per LSF	\$268 Per LSF	-\$30 Per LSF
Per Acre of Land	\$12,957,978 Per Acre	\$11,669,429 Per Acre	-\$1,288,549 Per Acre
Representative Site Land Value	\$5,949,485	\$5,357,865	-\$591,620
<i>Site value increase as a percent of current zoning base^m</i>			No increase

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by building envelope limits rather than density controls.
- e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.
- f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).
- g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- m. Although residual land values under proposed zoning are less than under current zoning, they are higher than most comparable land sales transactions in the Eastern Neighborhoods according to Clifford Associates (\$268/lsf vs. \$189/lsf).

Table 2
Residual Land Value
Tier 2, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning RM-2	Proposed Zoning RTO	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	40 Feet	65 Feet	25 Feet
Maximum Total Floors	4 Floors	6 Floors	2 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1030 Square Feet	925 Square Feet	
Units per Floor ^c	11 Units	13 Units	
Maximum Units ^d	33 Units	65 Units	32 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	28 Units	55 Units	27 Units
Number of BMR Units ^e	5 Units	10 Units	5 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$754 Per Net Square Foot \$776,919 Per MR Unit	\$780 Per Net Square Foot \$721,778 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$776,919 Per MR Unit	\$714,854 Per MR Unit	
Base Price of BMR Units ⁱ	\$223,134 Per BMR Unit	\$223,134 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$22,088,777 \$669,357 Per Unit \$650 Per NSF	\$40,111,054 \$617,093 Per Unit \$667 Per NSF	\$18,022,276
Building Costs^e			
Hard Construction (incl. parking)	\$289 Per NSF	\$317 Per NSF	
Governmental Fees	\$9 Per NSF	\$24 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional 2007 Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$15.00 Per NSF	\$15 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$33 Per NSF	
Total Building Costs	\$14,460,577 \$438,199 Per Unit \$425 Per NSF	\$28,504,743 \$438,535 Per Unit \$474 Per NSF	\$14,044,166
Residual Land Value			
Return on Net Sales ^l	15.4%	17.5%	
Developer Margin	\$ 3,401,672 \$103.081 Per Unit	\$ 7,019,434 \$107.991 Per Unit	\$3,617,763
Land Value			
Per Unit	\$128,077	\$70,567	-\$57,509 Per Unit
Per Net Residential Square Foot	\$124	\$76	-\$48 Per NRSF
Per Gross Residential Square Foot	\$99	\$61	-\$38 Per GRSF
Per Lot Square Foot	\$211	\$229	\$18 Per LSF
Per Acre of Land	\$9,205,380	\$9,990,216	\$784,837 Per Acre
Representative Site Land Value	\$4,226,529	\$4,586,876	\$360,347
<i>Site value increase as a percent of current zoning base</i>			8.5%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by building envelope limits rather than density controls.
- e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.
- f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).
- g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$12 per gross residential square foot, or \$15 per net residential square foot with 80% efficiency.
- l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 3
Residual Land Value
Tier 3, Existing Residential/Commercial Zones, Current: Onsite IH, Proposed: Offsite IH
San Francisco Eastern Neighborhoods

	Current Zoning SSO/SLR	Proposed Zoning MUR/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	200 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 2	
Maximum Height	40 Feet	85 Feet	45 Feet
Maximum Total Floors	4 Floors	8 Floors	4 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	13 Units	13 Units	
Maximum Units ^d	39 Units	91 Units	52 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	33 Units	91 Units	58 Units
Number of BMR Units ^e	6 Units	0 Units	-6 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$754 Per Net Square Foot \$697,718 Per MR Unit	\$832 Per Net Square Foot \$769,896 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$697,718 Per MR Unit	\$762,753 Per MR Unit	
Base Price of BMR Units ⁱ	\$223,134 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$23,549,957 \$603,845 Per Unit \$653 Per NSF	\$66,634,115 \$732,243 Per Unit \$792 Per NSF	\$43,084,157
Building Costs^k			
Hard Construction (incl. parking)	\$292 Per NSF	\$355 Per NSF	
Governmental Fees	\$9 Per NSF	\$95 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional 2007 Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^l	\$0 Per Unit	\$60,802 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$20.00 Per NSF	\$20 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$36 Per NSF	
Total Building Costs	\$15,461,150 \$396,440 Per Unit \$429 Per NSF	\$49,381,669 \$542,656 Per Unit \$587 Per NSF	\$33,920,519
Residual Land Value			
Return on Net Sales ^l	15.4%	18.5%	
Developer Margin	\$ 3,626,693 \$92,992 Per Unit	\$ 12,327,311 \$135,465 Per Unit	\$8,700,618
Land Value			
Per Unit	\$114,413	\$54,122	-\$60,291 Per Unit
Per Net Residential Square Foot	\$124	\$59	-\$65 Per NRSF
Per Gross Residential Square Foot	\$99	\$47	-\$52 Per GRFSF
Per Lot Square Foot	\$223	\$246	\$23 Per LSF
Per Acre of Land	\$9,718,484	\$10,726,942	\$1,008,459 Per Acre
Representative Site Land Value	\$4,462,114	\$4,925,134	\$463,020
<i>Site value increase as a percent of current zoning base</i>			10.4%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by building envelope limits rather than density controls.

e. Inclusionary housing requirement fulfilled by 15% onsite requirements under current zoning and in-lieu fee at 20% under proposed zoning.

f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).

g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

j. In-Lieu fee under current zoning \$0 (onsite production); under proposed zoning, in-lieu fee calculated in proportion to unit mix and according to 20% off-site requirement.

k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$16 per gross residential square foot, or \$20 per net residential square foot with 80% efficiency.

l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

**Table 4-R
Residual Land Value
Tier A, Formerly Industrial Zone, Middle Income @ 30% (135% AMI), Restricted Bedroom/Unit Mix (40% 2+ Bedrooms)
San Francisco Eastern Neighborhoods**

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	25 Units	52 Units	27 Units
Number of Market Rate Units	21 Units	36 Units	15 Units
Number of Units @ 100% AMI	4 Units	0 Units	-4 Units
Number of Units @ 135% AMI	0 Units	16 Units	16 Units
Number of BMR Units/Middle Income Units ^e	4 Units	16 Units	12 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit \$717 Per NSF	\$690,987 Per MR Unit \$747 Per NSF	
Base Price of 100% AMI Units	\$242,771 Per BMR Unit ⁱ	N/A Per BMR Unit ⁱ	
Base Price of 135% AMI Units	N/A	\$347,800 Per Middle Inc. Unit ⁱ	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961 \$734,998 Per Unit \$612 Per NSF	\$29,594,261 \$569,120 Per Unit \$615 Per NSF	\$11,219,299
Building Costs^k			
Hard Construction (incl. parking)	\$276 Per NSF	\$289 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250 \$493,810 Per Unit \$412 Per NSF	\$20,941,517 \$402,721 Per Unit \$435 Per NSF	\$8,596,267
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 2,829,744 \$113,190 Per Unit	\$ 4,557,516 \$87,645 Per Unit	\$1,727,772
Land Value			
Per Unit	\$127,999	\$78,754	-\$49,244 Per Unit
Per Net Residential Square Foot	\$107	\$85	-\$22 Per NRSF
Per Gross Residential Square Foot	\$85	\$68	-\$17 Per GRSF
Per Lot Square Foot	\$160	\$205	\$45 Per LSF
Per Acre of Land	\$6,969,529	\$8,919,405	\$1,949,876 Per Acre
Representative Site Land Value	\$3,199,967	\$4,095,227	\$895,260
Site value increase as a percent of current zoning base			28.0%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per percent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 30% of total units (proposed), rounded to the nearest whole number.
- Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 35% of income on all housing costs and a 30-year fixed mortgage with a 6.6% interest rate.
- In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

**Table 4-UR
Residual Land Value
Tier A, Formerly Industrial Zone, Middle Income @ 35% (135% AMI), Unrestricted Bedroom/Unit Mix
San Francisco Eastern Neighborhoods**

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	700 Square Feet	
Units per Floor ^c	10 Units	17 Units	
Maximum Units ^d	25 Units	68 Units	43 Units
Number of Market Rate Units	21 Units	44 Units	23 Units
Number of Units @ 100% AMI	4 Units	0 Units	-4 Units
Number of Units @ 135% AMI	0 Units	24 Units	24 Units
Number of BMR Units/Middle Income Units ^e	4 Units	24 Units	20 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot	\$792 Per Net Square Foot	
	\$859,891 Per MR Unit	\$554,403 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit	\$541,903 Per MR Unit	
	\$717 Per NSF	\$774 Per NSF	
Base Price of 100% AMI Units	\$242,771 Per BMR Unit ⁱ	N/A Per BMR Unit ⁱ	
Base Price of 135% AMI Units	N/A	\$313,696 Per Middle Inc. Unit ⁱ	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961	\$30,600,532	\$12,225,570
	\$734,998 Per Unit	\$450,008 Per Unit	
	\$612 Per NSF	\$643 Per NSF	
Building Costs^k			
Hard Construction (incl. parking)	\$276 Per NSF	\$302 Per NSF	
Governmental Fees	\$8 Per NSF	\$22 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$10.00 Per NSF	
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250	\$21,450,090	\$9,104,840
	\$493,810 Per Unit	\$315,443 Per Unit	
	\$412 Per NSF	\$451 Per NSF	
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 2,829,744	\$ 4,712,482	\$1,882,738
	\$113,190 Per Unit	\$69,301 Per Unit	
Land Value			
Per Unit	\$127,999	\$65,264	-\$62,735 Per Unit
Per Net Residential Square Foot	\$107	\$93	-\$13 Per NRSF
Per Gross Residential Square Foot	\$85	\$75	-\$11 Per GRSF
Per Lot Square Foot	\$160	\$222	\$62 Per LSF
Per Acre of Land	\$6,969,529	\$9,665,877	\$2,696,348 Per Acre
Representative Site Land Value	\$3,199,967	\$4,437,960	\$1,237,992
Site value increase as a percent of current zoning base			38.7%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per percent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 35% of total units (proposed), rounded to the nearest whole number.
- Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning assumes all units are 0-1 bedrooms and subject to .75:1 maximum parking.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 35% of income on all housing costs and a 30-year fixed mortgage with a 6.6% interest rate.
- In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

**Table 5-R
Residual Land Value
Tier B, Formerly Industrial Zone, Middle Income @ 35% (135% AMI), Restricted Bedroom/Unit Mix (40% 2+ Bedrooms)
San Francisco Eastern Neighborhoods**

	Current Zoning M-2	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	40 Feet	55 Feet	15 Feet
Maximum Total Floors	4 Floors	5 Floors	1 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	25 Units	52 Units	27 Units
Number of Market Rate Units	21 Units	34 Units	13 Units
Number of Units @ 100% AMI	4 Units	0 Units	-4 Units
Number of Units @ 135% AMI	0 Units	18 Units	18 Units
Number of BMR Units/Middle Income Units ^e	4 Units	18 Units	14 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit \$717 Per NSF	\$690,987 Per MR Unit \$747 Per NSF	
Base Price of 100% AMI Units	\$242,771 Per BMR Unit ⁱ	N/A Per BMR Unit ⁱ	
Base Price of 135% AMI Units	N/A	\$347,800 Per Middle Inc. Unit ⁱ	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961 \$734,998 Per Unit \$612 Per NSF	\$28,981,781 \$557,342 Per Unit \$603 Per NSF	\$10,606,820
Building Costs^g			
Hard Construction (incl. parking)	\$276 Per NSF	\$289 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250 \$493,810 Per Unit \$412 Per NSF	\$20,941,517 \$402,721 Per Unit \$435 Per NSF	\$8,596,267
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 2,829,744 \$113,190 Per Unit	\$ 4,463,194 \$85,831 Per Unit	\$1,633,450
Land Value			
Per Unit	\$127,999	\$68,790	-\$59,209 Per Unit
Per Net Residential Square Foot	\$107	\$74	-\$32 Per NRSF
Per Gross Residential Square Foot	\$85	\$59	-\$26 Per GRSF
Per Lot Square Foot	\$160	\$179	\$19 Per LSF
Per Acre of Land	\$6,969,529	\$7,790,858	\$821,329 Per Acre
Representative Site Land Value	\$3,199,967	\$3,577,070	\$377,103
Site value increase as a percent of current zoning base			11.8%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per percent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 35% of total units (proposed), rounded to the nearest whole number.
- Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 35% of income on all housing costs and a 30-year fixed mortgage with a 6.6% interest rate.
- In-Lieu fee calculated in proportion to unit mix and according to 20% off-site requirement.
- EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

**Table 5-UR
Residual Land Value
Tier B, Formerly Industrial Zone, Middle Income @ 40% (135% AMI), Unrestricted Bedroom/Unit Mix
San Francisco Eastern Neighborhoods**

	Current Zoning M-2	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	40 Feet	55 Feet	15 Feet
Maximum Total Floors	4 Floors	5 Floors	1 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	700 Square Feet	
Units per Floor ^c	10 Units	17 Units	
Maximum Units ^d	25 Units	68 Units	43 Units
Number of Market Rate Units	21 Units	41 Units	20 Units
Number of Units @ 100% AMI	4 Units	0 Units	-4 Units
Number of Units @ 135% AMI	0 Units	27 Units	27 Units
Number of BMR Units/Middle Income Units ^e	4 Units	27 Units	23 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$792 Per Net Square Foot \$554,403 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit \$717 Per NSF	\$541,903 Per MR Unit \$774 Per NSF	
Base Price of 100% AMI Units	\$242,771 Per BMR Unit ⁱ	N/A Per BMR Unit ⁱ	
Base Price of 135% AMI Units	N/A	\$313,696 Per Middle Inc. Unit ⁱ	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961 \$734,998 Per Unit \$612 Per NSF	\$30,003,669 \$441,230 Per Unit \$630 Per NSF	\$11,628,707
Building Costs^k			
Hard Construction (incl. parking)	\$276 Per NSF	\$302 Per NSF	
Governmental Fees	\$8 Per NSF	\$22 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250 \$493,810 Per Unit \$412 Per NSF	\$21,450,090 \$315,443 Per Unit \$451 Per NSF	\$9,104,840
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 2,829,744 \$113,190 Per Unit	\$ 4,620,565 \$67,949 Per Unit	\$1,790,821
Land Value			
Per Unit	\$127,999	\$57,838	-\$70,160 Per Unit
Per Net Residential Square Foot	\$107	\$83	-\$24 Per NRSF
Per Gross Residential Square Foot	\$85	\$66	-\$19 Per GRSF
Per Lot Square Foot	\$160	\$197	\$37 Per LSF
Per Acre of Land	\$6,969,529	\$8,566,104	\$1,596,575 Per Acre
Representative Site Land Value	\$3,199,967	\$3,933,014	\$733,046
Site value increase as a percent of current zoning base			22.9%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per percent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 40% of total units (proposed), rounded to the nearest whole number.
- Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning assumes all units are 0-1 bedrooms and subject to .75:1 maximum parking.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 35% of income on all housing costs and a 30-year fixed mortgage with a 6.6% interest rate.
- In-Lieu fee calculated in proportion to unit mix and according to 20% off-site requirement.
- EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 6
Residual Land Value
Tier A, Formerly Industrial Zone, Land Dedication @ 35%
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning UMU	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	26,000 Square Feet	
Lot Acreage	0.92 Acres	0.60 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	20 Units	17 Units	
Maximum Units ^d	67 Units	68 Units	1 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	57 Units	68 Units	11 Units
Number of BMR Units ^e	10 Units	0 Units	-10 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot	\$754 Per Net Square Foot	
	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit	\$690,365 Per MR Unit	
Base Price of BMR Units ⁱ	\$242,771 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$49,652,131 \$741,077 Per Unit \$618 Per NSF	\$45,067,047 \$662,751 Per Unit \$716 Per NSF	-\$4,585,084
Building Costs^a			
Hard Construction (incl. parking)	\$276 Per NSF	\$288 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^k	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$33,085,270 \$493,810 Per Unit \$412 Per NSF	\$27,366,403 \$402,447 Per Unit \$435 Per NSF	-\$5,718,867
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$7,646,428	\$6,940,325	-\$706,103
	\$114,126 Per Unit	\$102,064 Per Unit	
Land Value^m			
Per Unit	\$133,141	\$158,240	\$25,099 Per Unit
Per Net Residential Square Foot	\$111	\$171	\$60 Per NRSF
Per Gross Residential Square Foot	\$89	\$137	\$48 Per GRSF
Per Lot Square Foot	\$223	\$414	\$191 Per LSF
Per Acre of Land	\$9,714,351	\$18,027,673	\$8,313,322 Per Acre
Representative Site Land Value	\$8,920,433	\$10,760,319	\$1,839,886
<i>Site value increase as a percent of current zoning base</i>			20.6%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- e. Onsite Below Market Rate (BMR) units equal to 15% of total units, rounded to the nearest whole number. Under proposed zoning, the affordable housing obligation is fulfilled with land dedication of 35% of the site and no additional BMR units.
- f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).
- g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production or land dedication.
- k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- m. Land value metrics under proposed zoning with land dedication adjusted to reflect the loss of units/buildable square footage due to land dedication.

Table 7
Residual Land Value
Tier B, Formerly Industrial Zone, Land Dedication @ 40%
San Francisco Eastern Neighborhoods

	Current Zoning M-2	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	24,000 Square Feet	
Lot Acreage	0.92 Acres	0.55 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	40 Feet	65 Feet	25 Feet
Maximum Total Floors	4 Floors	6 Floors	2 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1030 Square Feet	925 Square Feet	
Units per Floor ^c	23 Units	15 Units	
Maximum Units ^d	67 Units	75 Units	8 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	57 Units	75 Units	18 Units
Number of BMR Units ^e	10 Units	0 Units	-10 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$754 Per Net Square Foot	\$780 Per Net Square Foot	
	\$776,919 Per MR Unit	\$721,778 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$776,919 Per MR Unit	\$714,444 Per MR Unit	
Base Price of BMR Units ⁱ	\$223,134 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$44,923,397 \$670,498 Per Unit \$651 Per NSF	\$51,439,980 \$685,866 Per Unit \$741 Per NSF	\$6,516,583
Building Costs^j			
Hard Construction (incl. parking)	\$289 Per NSF	\$316 Per NSF	
Governmental Fees	\$9 Per NSF	\$19 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Additional Water and Sewer Impact Fees	\$508 Per Unit	\$508 Per Unit	
Inclusionary Housing In-Lieu Fee ^k	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
Eastern Neighborhoods Impact Fee ^l	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$33 Per NSF	
Total Building Costs	\$29,359,353 \$438,199 Per Unit \$425 Per NSF	\$32,478,759 \$433,050 Per Unit \$468 Per NSF	\$3,119,406
Residual Land Value			
Return on Net Sales ^m	15.4%	17.5%	
Developer Margin	\$6,918,203 \$103,257 Per Unit	\$9,001,997 \$120,027 Per Unit	\$2,083,793
Land Valueⁿ			
Per Unit	\$129,042	\$132,790	\$3,747 Per Unit
Per Net Residential Square Foot	\$125	\$144	\$18 Per NRSF
Per Gross Residential Square Foot	\$100	\$115	\$15 Per GRFSF
Per Lot Square Foot	\$216	\$415	\$199 Per LSF
Per Acre of Land	\$9,415,320	\$18,075,992	\$8,660,672 Per Acre
Representative Site Land Value	\$8,645,840	\$9,959,224	\$1,313,384
<i>Site value increase as a percent of current zoning base</i>			15.2%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- e. Onsite Below Market Rate (BMR) units equal to 15% of total units, rounded to the nearest whole number. Under proposed zoning, the affordable housing obligation is fulfilled with land dedication of 40% of the site and no additional BMR units.
- f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).
- g. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production or land dedication.
- k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- m. Land value metrics under proposed zoning with land dedication adjusted to reflect the loss of units/buildable square footage due to land dedication.

Table 8
Residual Land Value
Tier A, Formerly Industrial Zone, Onsite IH, Proposed (Super Inclusionary): 18% Required Onsite
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1,200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	25 Units	52 Units	27 Units
Unit Mix			
	0% 1 BR	60% 1 BR	
	80% 2 BR	30% 2 BR	
	20% 3 BR	10% 3 BR	
Number of Market Rate Units	21 Units	43 Units	22 Units
Number of BMR Units ^e	4 Units	9 Units	5 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot	\$754 Per Net Square Foot	
	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit	\$690,987 Per MR Unit	
Base Price of BMR Units ⁱ	\$242,771 Per BMR Unit	\$223,134 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961	\$30,660,820	\$12,285,859
	\$734,998 Per Unit	\$589,631 Per Unit	
	\$612 Per NSF	\$637 Per NSF	
Building Costs^j			
Hard Construction (incl. parking)	\$276 Per NSF	\$289 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Additional Water and Sewer Impact Fees</i>	\$508 Per Unit	\$508 Per Unit	
<i>Inclusionary Housing In-Lieu Fee^k</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>Eastern Neighborhoods Impact Fee^l</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250	\$20,941,517	\$8,596,267
	\$493,810 Per Unit	\$402,721 Per Unit	
	\$412 Per NSF	\$435 Per NSF	
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$2,829,744	\$4,721,766	\$1,892,022
	\$113,190 Per Unit	\$90,803 Per Unit	
Land Value			
Per Unit	\$127,999	\$96,106	-\$31,892 Per Unit
Per Net Residential Square Foot	\$107	\$104	-\$3 Per NRSF
Per Gross Residential Square Foot	\$85	\$83	-\$2 Per GRSF
Per Lot Square Foot	\$160	\$250	\$90 Per LSF
Per Acre of Land	\$6,969,529	\$10,884,635	\$3,915,106 Per Acre
Representative Site Land Value	\$3,199,967	\$4,997,537	\$1,797,569
<i>Site value increase as a percent of current zoning base</i>			56.2%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.

e. Onsite Below Market Rate (BMR) units under current zoning equal to 15% of total units and 18% under proposed zoning; units are rounded to the nearest whole number.

f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).

g. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.

k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.

l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 9
Residual Land Value
Tier B, Formerly Industrial Zone, Onsite IH, Proposed (Super Inclusionary): 20% Required Onsite
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	40 Feet	55 Feet	15 Feet
Maximum Total Floors	4 Floors	5 Floors	1 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	25 Units	52 Units	27 Units
Unit Mix			
	0% 1 BR	60% 1 BR	
	80% 2 BR	30% 2 BR	
	20% 3 BR	10% 3 BR	
Number of Market Rate Units	21 Units	42 Units	21 Units
Number of BMR Units ^e	4 Units	10 Units	6 Units
Parking			
Average Parking Ratio ^f	1 Space per Unit	0.85 Space per Unit	
Revenue			
Market Rate Sales Price ^g	\$717 Per Net Square Foot	\$754 Per Net Square Foot	
	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^h	\$859,891 Per MR Unit	\$690,987 Per MR Unit	
	\$717 Per NSF	\$747 Per NSF	
Base Price of BMR Units ⁱ	\$242,771 Per BMR Unit	\$223,134 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$18,374,961	\$30,234,901	\$11,859,939
	\$734,998 Per Unit	\$581,440 Per Unit	
	\$612 Per NSF	\$629 Per NSF	
Building Costs^k			
Hard Construction (incl. parking)	\$276 Per NSF	\$289 Per NSF	
Governmental Fees	\$8 Per NSF	\$19 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Additional Water and Sewer Impact Fees</i>	\$508 Per Unit	\$508 Per Unit	
<i>Inclusionary Housing In-Lieu Fee^l</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>Eastern Neighborhoods Impact Fee^k</i>	\$0 Per NSF	\$10.00 Per NSF	
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	\$10 Per NSF
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$12,345,250	\$20,941,517	\$8,596,267
	\$493,810 Per Unit	\$402,721 Per Unit	
	\$412 Per NSF	\$435 Per NSF	
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$2,829,744	\$4,656,175	\$1,826,431
	\$113,190 Per Unit	\$89,542 Per Unit	
Land Value			
<i>Per Unit</i>	\$127,999	\$89,177	-\$38,822 Per Unit
<i>Per Net Residential Square Foot</i>	\$107	\$96	-\$10 Per NRSF
<i>Per Gross Residential Square Foot</i>	\$85	\$77	-\$8 Per GRSF
<i>Per Lot Square Foot</i>	\$160	\$232	\$72 Per LSF
<i>Per Acre of Land</i>	\$6,969,529	\$10,099,841	\$3,130,312 Per Acre
<i>Representative Site Land Value</i>	\$3,199,967	\$4,637,209	\$1,437,241
<i>Site value increase as a percent of current zoning base</i>			44.9%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- e. Onsite Below Market Rate (BMR) units under current zoning equal to 15% of total units and 20% under proposed zoning; units are rounded to the nearest whole number.
- f. Parking ratio under current zoning is 1:1 for all units. Parking ratio under proposed zoning reflects 1:1 for 2+ bedroom units (40%) and .75:1 for 0-1 bedroom units (60%).
- g. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- h. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- i. BMR prices based on MOH 2008 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- j. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- k. EN Impact Fee to be charged under proposed zoning only. Proposed fee amount is \$8 per gross residential square foot, or \$10 per net residential square foot with 80% efficiency.
- l. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

San Francisco Eastern Neighborhoods Nexus Study

Prepared for:

**City of San Francisco
Planning Department**

May 2008

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Executive Summary

The City of San Francisco Planning Department (Planning Department) is undergoing the process of rezoning land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. The Eastern Neighborhoods include the Mission, Potrero Hill/Showplace Square, the eastern portion of South of Market (Eastern SoMa), and Central Waterfront, as shown in Figure I-1 of Chapter I. This Nexus Study Report (Report) analyzes the relationship, or nexus, between projected new development in the Eastern Neighborhoods resulting from the rezoning efforts and the cost of providing public facilities to meet increased demand from new residents and workers. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, and child care.

This executive summary presents the nexus amounts calculated in each chapter of this Report to determine an Eastern Neighborhoods nexus amount. From the Eastern Neighborhoods nexus amount, the Planning Department will determine a feasible Eastern Neighborhoods Impact Fee.

A. Total Eastern Neighborhoods Nexus Amount

The Eastern Neighborhoods nexus amount is comprised of individual nexus amounts for libraries, transportation, recreation and parks, and child care. As discussed in Chapter II, the library component of the impact fee will only apply to residential development, therefore only a residential nexus amount was calculated. The transportation, recreation and parks and child care components will apply to both residential and non-residential development. The total Eastern Neighborhoods nexus amount for residential development is \$21.21 per gross square foot. The amounts for each category of non-residential development are shown in Table 1.

Table 1
Total Nexus Amount per Gross Square Foot
Eastern Neighborhoods

	Library^a	Transportation	Recreation and Parks	Child Care	Total Nexus Amount
Residential^b	\$0.13	\$8.81	\$10.90	\$1.37	\$21.21
Non-Residential					
Cultural/Institutional/Educational	N/A	\$57.76	\$2.66	\$1.29	\$61.71
Motel/Hotel	N/A	\$26.21	\$1.49	\$0.72	\$28.43
Medical	N/A	\$34.39	\$2.66	\$1.29	\$38.34
Office	N/A	\$21.76	\$2.66	\$1.29	\$25.71
Retail	N/A	\$240.48	\$1.99	\$0.97	\$243.45
Industrial/PDR	N/A	\$9.50	\$1.71	\$0.83	\$12.04

a. Library nexus amount is not applicable to non-residential development, as discussed in Chapter II.

b. The child care nexus amount does not apply to Single Room Occupancy (SRO) or senior units as discussed in Chapter V.

Source: Planning Department, Citywide Development Impact Study, and Seifel Consulting Inc.

B. Determination of Impact Fee

The Planning Department will determine an appropriate impact fee for development in the Eastern Neighborhoods based on the calculation of the nexus amount, as described in Chapter I. The determination of the fee amount will consider community and Planning Department goals as well as the potential impact of the fee on development feasibility.

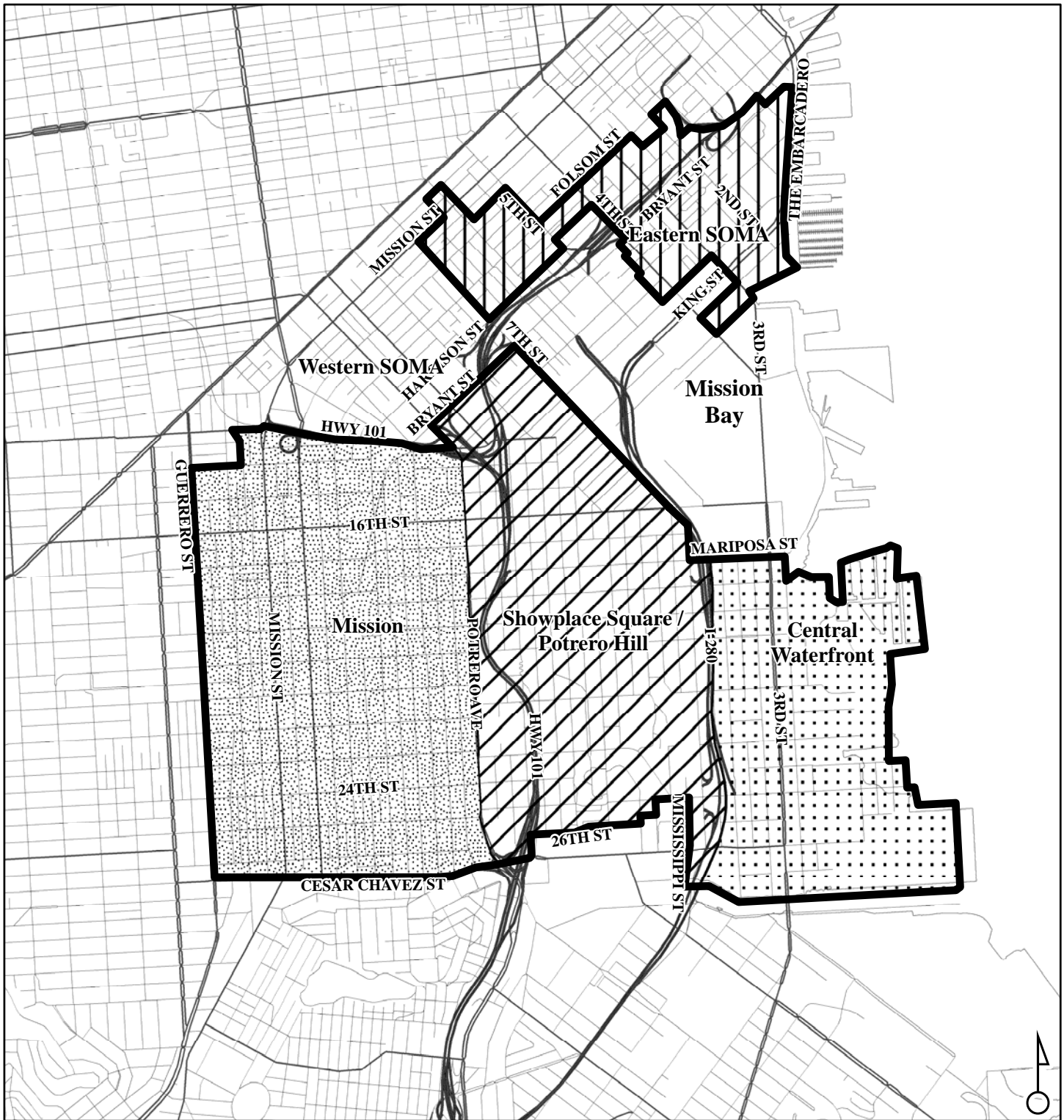
I. Background

A. Introduction

The City of San Francisco Planning Department (Planning Department) is undergoing the process of rezoning land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. The Eastern Neighborhoods include the Mission, Potrero Hill/Showplace Square, the eastern portion of South of Market (Eastern SoMa), and Central Waterfront, as shown in Figure I-1. This Nexus Study Report (Report) analyzes the relationship, or nexus, between projected new development in the Eastern Neighborhoods resulting from the rezoning efforts and the cost of providing public facilities to meet increased demand from new residents and workers. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, and child care.

Since 2002, the San Francisco Planning Department has analyzed potential changes in the Planning Code to increase the supply of housing in the City as well as to protect land for light industrial uses (generally referred to as Production, Distribution and Repair, or PDR). Much of this discussion has focused on the Eastern Neighborhoods because some areas within these neighborhoods experienced conflicts between residential and industrial uses during the 1990s. As outlined in the June 2007 Eastern Neighborhoods Rezoning and Area Plans Draft Environmental Impact Report (DEIR), the proposed changes to zoning controls would allow for a significant increase in residential and non-residential development in the area. In order to address the impact of new residents and workers on services and facilities, the Planning Department is considering the adoption of development impact fees, and this Report presents the supporting nexus study for these fees.

Figure I-1
Boundaries of the Eastern Neighborhoods



 Eastern Neighborhoods Study Area Boundary

Eastern Neighborhoods Subareas

 Central Waterfront

 Eastern SOMA

 Mission

 Showplace Square / Potrero Hill

0 0.25 0.5 1
Miles

Seifel
CONSULTING INC.

1. Report Organization

This background chapter presents the nexus study process and methodology, legal basis for assessing impact fees, and the demographic and employment data for the 2006 baseline and projections through 2025 for the Eastern Neighborhoods and the City of San Francisco. The chapter also illustrates the use of the data to calculate new residential, commercial and industrial development.

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

- Chapter II: Library
- Chapter III: Transportation
- Chapter IV: Recreation and Parks
- Chapter V: Child Care
- Chapter VI: Impact Fee Maintenance

2. Overview of Process

During the rezoning process, the Planning Department engaged the community to solicit input and understand community concerns regarding the rezoning and area plans. Community members expressed the need for additional community facilities and amenities to meet the demands of existing and new population. The Planning Department retained Seifel Consulting Inc. (Seifel) to conduct an analysis of existing and future community needs in the Eastern Neighborhoods, which resulted in the Eastern Neighborhoods Needs Assessment (Needs Assessment), completed in December 2007 and included in this Report as Appendix A. The Needs Assessment describes and calculates the community needs in the Eastern Neighborhoods for public facilities and services. The public facilities and services included in the Needs Assessment are schools, public libraries, police, fire, health care centers, San Francisco Human Service Agency centers, cultural centers, child care spaces, open space, and recreation and parks facilities. The Needs Assessment also considers the need for neighborhood-serving businesses, transportation and affordable housing through 2025 based on growth projections in the DEIR.¹

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

¹ Unless otherwise noted, the Eastern Neighborhoods Needs Assessment uses the projections under Option B of the *Eastern Neighborhoods Rezoning and Area Plans Draft Environmental Impact Report* published by the San Francisco Planning Department on June 30, 2007.

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

While the Eastern Neighborhoods is the focus of this Report, the need for facilities also exists throughout the City. The Office of the Controller has analyzed the possibility of establishing impact fees that would apply to new development throughout the City. To this end, the Controller's Office released the Citywide Development Impact Fee Study (Citywide Study) on April 4, 2008, which calculates citywide impact fees for facilities such as child care, recreation and parks, fire prevention, and affordable housing.² The Eastern Neighborhoods specific nexus study process has occurred separately from the Citywide Study. However, the child care nexus amount used for the Eastern Neighborhoods are the same as the fees calculated in the Citywide Study. The recreation and parks chapter is based on a methodology consistent with the Citywide Study. The Planning Department has chosen not to pursue localized impact fees for fire facilities, although they may be charged through the proposed citywide impact fees.

Following this Report, the Planning Department will propose an Eastern Neighborhoods Impact Fee based on the nexus amount calculated and adjusted to achieve broader community goals. The proposed impact fee for the Eastern Neighborhoods will likely be comprised of four components:

- Library component to purchase new library materials and fund renovations and expansions.
- Transportation component to undertake circulation improvements needed to accommodate increased traffic flow and pedestrian and bicycle movements and to increase the capacity of public transit.
- Recreation and Parks component to purchase additional parkland and upgrade existing recreation and parks facilities to serve new development.
- Child Care component to provide new spaces to care for the children of new residents and workers.

² Citywide Development Impact Fee Study, Draft Consolidated Report, prepared for the City and County of San Francisco by the FCS Group.

3. Overview of Legislative Requirements for Impact Fees

a. Assembly Bill 1600

Impact fees are governed by the California Government Code Sections 66000–66008, commonly referred to by their 1987 authorizing legislation, Assembly Bill 1600 (AB 1600) or the title provided by the legislature, “The Mitigation Fee Act.” AB 1600 established a process for formulating, adopting, imposing, collecting, and accounting for impact fees.

Under AB 1600, an “impact fee” means a monetary exaction (other than a tax or assessment) used to defray all or a portion of the cost of additional public facilities needed to provide service to new development. In other words, new development may only be charged for public facilities and improvements needed to accommodate the demand generated by that new development, and the amount of the fee must be in reasonable proportion to that demand.

Therefore, the City must demonstrate a “nexus,” or a reasonable relationship, between the impacts stemming from new development and the type and amount of the fee imposed. Through this Report, the City and County of San Francisco will establish this nexus by:

1. Identifying the purpose of each impact fee;
2. Describing the use or improvements for which the fee will be used; and
3. Demonstrating a reasonable relationship between:
 - The use and the type of development on which the fee is imposed,
 - The need for the public improvements and facilities generated by new development, and
 - The amount of the fee and the proportional cost of the public improvements and facilities attributable to the new development on which the fee is imposed.

b. The Quimby Act

Section 66477 of the Government Code (commonly referred to as the Quimby Act) has particular relevance with respect to the recreation and parks component of the Eastern Neighborhoods Impact Fee. The Quimby Act establishes procedures that give cities and counties the authority to require the dedication of parkland or payment of fees in lieu of parkland from a residential subdivision. The Quimby Act establishes a range of three to five acres of parkland per 1,000 resident population as the standard a city may require for parkland dedication. The calculations in the Eastern Neighborhoods recreation and parks chapter are based in part on the Citywide Recreation and Parks Development Impact Fee Justification Study by David Taussig & Associates as discussed in Chapter IV.

4. Overview of Nexus Study Data Sources

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

- Estimates of existing and new development through 2025.
- Factors that contribute to the need for new facilities, including new household population, job generation and trip generation.
- Description of public facilities needed to accommodate new development, based on findings in the Needs Assessment, Citywide Study, and other sources.
- Cost estimates of needed public facilities.
- Anticipated costs to administer the impact fee program.

The data and analysis presented in this Report has been gathered from the most reliable sources available to the Planning Department and Seifel. This information has been assembled for the sole purpose of establishing reasonable estimates for existing and new development in the Eastern Neighborhoods for use in this background chapter and associated nexus chapters. However, actual development may vary from the estimates presented in this Report. Furthermore, the nexus amounts calculated here should not be construed as projected revenues since the impact fees assessed may differ and the collection of impact fees will only be possible to the extent that new development resulting in fee revenue occurs.

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

The following sections present the legislative requirements and general methodology for calculating the Eastern Neighborhood nexus amount and the organization of the Report.

5. Basis for Allocation of Fees to New Development

In order to determine the amount of the impact fees to be charged to new development, the Planning Department must first distinguish between the baseline condition (existing residential and non-residential development) and the projected development through 2025, much of which will occur as a result of the rezoning effort. The difference between the two reflects the potential level of new development in need of new improvements or facilities and over which, the cost to provide them can be allocated.

6. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the Eastern Neighborhoods Impact Fee to residential and non-residential uses. However, not all four nexus study components will be applied to both residential and non-residential uses as described in individual nexus study chapters.

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

Commercial development is defined as any type of non-residential use. The City & County of San Francisco commonly categorizes commercial development into six Economic Activity Categories (similarly used in the Citywide Study already referenced within this Report). These categories of nonresidential uses include Cultural/Institution/Education (CIE), Motel/Hotel, Medical, Office, Retail, and Production/Distribution/Repair (PDR), as defined below:

- **Cultural/Institution/Education (CIE):** An economic activity category that includes, but is not limited to, schools, as defined in subsections (g), (h), and (i) of Section 209.3 of the Planning Code and subsections (f)–(i) of Section 217 of the Planning Code; child care facilities, as defined in subsections (e) and (f) of Section 209.3 of the Planning Code and subsection (e) of Section 217 of the Planning Code; museums and zoos; and community facilities, as defined in Section 209.4 of the Planning Code and subsections (a)–(c) of Section 221 of the Planning Code.
- **Motel/Hotel:** An economic activity category also referred to as Visitor Services that includes, but is not limited to, hotel use, as defined in Section 313.1(18) of the Planning Code; motel use, as defined in subsections (c) and (d) of Section 216 of the Planning Code; and time-share projects, as defined in Section 11003.5(a) of the California Business and Professions Code.
- **Medical:** An economic activity category that includes, but is, not limited to, those non-residential uses defined in Sections 209.3(a) and 217(a) of the Planning Code; animal services, as defined in subsections (a) and (b) of Section 224 of the Planning Code; and social and charitable services, as defined in subsection (d) of Section 209.3 of the Planning Code and subsection (d) of Section 217 of the Planning Code.
- **Office:** An economic activity category commonly referred to as Management, Information and Professional Services (MIPS), that includes, but is not limited to, office use as defined in Section 313.1(35) of the Planning Code; medical offices and clinics, as defined in Section 890.114 of the Planning Code; and business services, as defined in Section 890.111 of the Planning Code.
- **Retail:** An economic activity category that includes, but is not limited to, retail use and entertainment, as defined in Section 218 of the Planning Code; entertainment use, as defined in Section 313.1(15) of the Planning Code; massage establishments, as defined in Section 218.1 of the Planning Code; laundering, and cleaning and pressing, as defined in Section 220 of the Planning Code.
- **Production/Distribution/Repair (PDR):** An economic activity category that includes, but is not limited to, manufacturing and processing, as defined in Section 226 of the Planning Code; those uses listed in Section 222 of the Planning Code; automotive services, as defined in Section 223(a)–(k) of the Planning Code; arts activities and spaces, as defined in Section 102.2 of the Planning Code; and research and development, as defined in Section 313.1(42) of the Planning Code.

B. Summary of Nexus Study Methodologies

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

1. Basic Calculation Process

The basic process calculating an impact fee involves the following steps:³

- Step 1 Estimate the existing household population, number of housing units and number of jobs per land use category.
- Step 2 Project future household population, number of housing units, number of jobs, and other demand factors per land use category.
- Step 3 Identify the portion of new residents and workers that will be served by each category of improvement or facility for the relevant service area.
- Step 4 Determine facilities and/or improvements needed to serve the projected future population at the appropriate level.
- Step 5 Estimate costs for facilities and the portion of these costs that is attributable to new development.
- Step 6 Apportion these costs to residential and non-residential development according to the projected impact of each type of land use.⁴

2. Nexus Study Component Methodologies

While the San Francisco Public Library (SFPL) does not indicate a need for future branch libraries, an increase in residential population adds to the need for library materials and improvements. Thus, the library nexus amount is based on SFPL's estimated cost per new resident and only applicable to residential development.

The transportation nexus amount is based on the number of trips generated by residential and non-residential land uses. New trips in the Eastern Neighborhoods were calculated from projected new development for each land use and determined as a percentage of citywide trips. This percentage was then applied to the cost of needed improvements to the City's transportation system. As both residential and non-residential development are expected to cause an impact on transportation in the Eastern Neighborhoods, the nexus amount will apply to both land use categories.

³ This is a general overview of the methodology used to calculate the Eastern Neighborhoods impact fees; however, individual calculations may be slightly different as described below and in the accompanying chapters.

⁴ The calculation of the nexus amounts is based on gross square footage for both residential and non-residential development. Gross square footage includes the residential units and office space as well as hallways, stairways, elevators, and other common areas. Gross square footage of residential development assumes 80 percent efficiency.

The calculation of a nexus amount for recreation and parks employs need factors and cost data in the Citywide Study and the Eastern Neighborhoods Draft Public Benefits Program. It couples an increase in parkland to accommodate new residential and non-residential development with improvements to existing facilities and the provision of recreational amenities and walkway and bikeway trails. As the recreation and parks system is expected to serve both residents and employees, the recreation and parks nexus amount will apply to residential and non-residential development.

The calculation of a nexus amount for child care is based on the methodology used by the Citywide Study. The relative need for child care services by different non-residential land uses is assessed and those land uses are thus assigned different shares of the cost of needed new child care spaces. The child care nexus amount will apply to both residential and non-residential land.

C. Data Sources

Demographic data for existing and projected new development provide the foundation for the nexus studies. To determine the amount of the impact fees to be charged to new development, the City must first distinguish between existing residential and non-residential development and projected new development between the baseline and 2025. This section describes the sources of the population, housing and employment data and projections for 2000, 2006 and 2025 used in this Report. Each of the subsequent chapters provides specific details as to how the demographic data is used for computation of a particular nexus amount.

1. Selected Land Use Alternative

Demographic data and projections are essential in apportioning costs for services and facilities between existing and future development. The Eastern Neighborhoods DEIR considers three rezoning scenarios (Options A, B and C) that assume a citywide increase of roughly 36,500 housing units between 2000 and 2025.⁵ New development in this Report for the Eastern Neighborhoods and the City is based on the estimates under Option B in the DEIR. Option B assumes that 20 percent of this citywide housing growth, or 7,385 housing units, will occur in the Eastern Neighborhoods, while Options A and C assume a greater amount of housing.⁶ In terms of employment projections, Option B falls between Options A and C, as shown in Table I-1.

In addition, the DEIR includes a No-Project Scenario, which utilizes population and employment forecasts published by the Association of Bay Area Governments (ABAG) in *Projections 2002*. The No-Project Scenario assumes that the Eastern Neighborhoods rezoning efforts will not occur and does not consider other Planning Department programs to increase the housing stock in the City, such as the Citywide Action Plan and the Downtown Neighborhoods Initiative. As a result, its growth forecast is much lower than those in the three rezoning options described above.

⁵ The DEIR utilizes two discrete sets of data in their calculation of household population, households and jobs in the Eastern Neighborhoods. One aggregates census tract-level data to the neighborhood level, the other aggregates Traffic Analysis Zones (TAZ). This report uses the TAZ data, which is more frequently utilized in DEIR analyses.

⁶ This report will use the term “housing units” as an equivalent of “households.” This is consistent with the Citywide Study as well as the methodology in the DEIR, which assumes a household for every new housing unit.

Table I-1
Comparison of Housing Units and Employment Growth by Rezoning Option
2000 to 2025
Eastern Neighborhoods

Rezoning Option^a	Households/ Housing Units^b	Percentage of Citywide Growth^c	PDR Jobs	Non-PDR Jobs^d
Option A	9,015	25%	-1,007	10,726
Option B	7,385	20%	-4,116	13,613
Option C	9,858	27%	-9,469	22,007
No-Project Scenario	2,871	18%	-3,376	13,030

- a. Data aggregated by Census tracts, which differs slightly from data aggregated by Traffic Analysis Zones used in the rest of the Report.
- b. The DEIR assumes all housing units will be occupied and therefore equivalent to households. For the purposes of this Report, housing units will be used where relevant.
- c. Assumes citywide growth of 36,500 households between 2000 and 2025.
- d. Includes jobs at Cultural/Institutional/Educational, Motel/Hotel, Medical, Office, and Retail land uses.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR.

2. Baseline for Existing Development

The baseline year for measuring population and employment growth is 2006, consistent with the Citywide Study. Data for the Eastern Neighborhoods is not available from the U.S. Census, the California Department of Finance (DOF) or ABAG for 2006. The data presented for the City is based on data provided by the Planning Department used for the preparation of the DEIR and escalated to 2006. Seifel escalated demographic data available in the DEIR for Eastern Neighborhoods and the City from 2000 to 2006, based on the methodology used in the Citywide Study.

The average annual growth rates of household population, housing units and jobs (by land use category) between 2000 and 2025 were calculated using the data presented in Option B of the DEIR. Table I-2 shows data in 2000 and 2025 and the annual growth rates for the Eastern Neighborhoods and San Francisco. These growth rates were then used to estimate growth between 2000 and 2006 in order to arrive at the 2006 baseline shown in Tables I-3, I-4 and I-5.

Table I-2
Annual Growth Rate of Population, Housing Units and Jobs
2000, 2006 and 2025
Eastern Neighborhoods and San Francisco

Eastern Neighborhoods				
	2000	2006	2025	Annual Growth Rate 2000-2025
Household Population	67,204	70,295	81,681	0.78%
Housing Units	25,464	26,976	32,849	1.02%
Jobs by Land Use				
Cultural/Institutional/Educational	4,212	4,646	6,447	1.72%
Motel/Hotel	294	294	296	0.03%
Medical	4,448	4,624	5,228	0.65%
Office	22,549	24,260	30,748	1.25%
Retail	8,676	9,176	11,082	0.98%
Industrial	32,467	31,385	28,351	-0.54%
Total Jobs	72,646	74,386	82,152	0.49%

San Francisco				
	2000	2006	2025	Annual Growth Rate 2000-2025
Household Population	756,967	774,880	834,448	0.39%
Housing Units	329,703	338,119	366,211	0.42%
Jobs by Land Use				
Cultural/Institutional/Educational	90,116	93,687	105,958	0.65%
Motel/Hotel	20,323	21,391	25,155	0.86%
Medical	40,192	41,776	47,217	0.65%
Office	291,574	307,261	362,725	0.88%
Retail	96,605	101,657	119,466	0.85%
Industrial	95,547	96,693	100,415	0.20%
Total Jobs	634,357	662,466	760,936	0.73%

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, and Seifel Consulting Inc.

3. Projected Growth

The development projections in this nexus study assume a development horizon through 2025. This mirrors the DEIR, which projects population and employment growth in the Eastern Neighborhoods under all planning scenarios through 2025. Therefore, the new development is considered to be the projected growth between 2006 and 2025 in the Eastern Neighborhoods and in San Francisco. The data used in this Report for 2000 and 2025 comes directly from the DEIR or the supporting data that was used for the DEIR, which was provided by the Planning Department.

D. Existing Demographic and Employment Data

1. Existing Household Population and Housing Units

In 2006, San Francisco's household population was 774,880, of which approximately 70,300 are Eastern Neighborhoods residents. The average household size in the Eastern Neighborhoods is 2.61 persons per household, higher than the citywide average of 2.29 as shown in Table I-3.

Table I-3
Existing Household Population and Housing Units in 2006
Eastern Neighborhoods and San Francisco

	Eastern Neighborhoods	San Francisco
Household Population ^a	70,295	774,880
Housing Units	26,976	338,119
Persons per Household	2.61	2.29

a. Does not include non-household population, such as people in group quarters.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, and Seifel Consulting Inc.

2. Existing Employment and Non-Residential Development

In 2006, there were about 74,400 jobs in the Eastern Neighborhoods, occupying an estimated 21.4 million square feet of non-residential space. Of this total, almost 11 million was dedicated to PDR. The employment figures are the basis for estimating the square footage of land dedicated to commercial and industrial uses. Table I-4 shows the 2006 employment estimate for the Eastern Neighborhoods and then converts it into square feet of space by land use category using square-foot-per-employee estimates from the Planning Department.

Table I-4
Estimated Employment and Non-Residential Development in 2006
Eastern Neighborhoods

Non-Residential Land Use	Existing Employment	Estimated SF per Employee^a	Existing Development (SF)
Cultural/Institutional/Educational	4,646	225	1,045,340
Motel/Hotel	294	400	117,791
Medical	4,624	225	1,040,370
Office	24,260	225	5,458,425
Retail	9,176	300	2,752,888
Industrial/PDR	31,385	350	10,984,861
Total Development/Employment	74,385		21,399,675

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

San Francisco had roughly 662,500 jobs in 2006, almost half of which were located in office uses. The City had an estimated 250 million square feet of development dedicated to commercial and industrial uses. As Table I-4 did for the Eastern Neighborhoods, Table I-5 summarizes the 2006 employment estimate for San Francisco and then converts it into square feet of space by land use category.

Table I-5
Estimated Employment and Non-Residential Development in 2006
San Francisco

Non-Residential Land Use	Existing Employment	Estimated SF per Employee^a	Existing Development (SF)
Cultural/Institutional/Educational	93,687	225	21,079,672
Motel/Hotel	21,391	400	8,556,222
Medical	41,776	225	9,399,662
Office	307,261	225	69,133,774
Retail	101,657	300	30,497,185
Industrial/PDR	96,693	350	33,842,648
Total Development/Employment	662,466		172,509,163

a. Based on SF per employee used in the Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

E. Projected New Development

1. Projected New Household Population and Housing Units

The Eastern Neighborhoods are projected to gain 7,385 units over the life of the plan, with roughly 5,900 housing units coming online between plan adoption and 2025. San Francisco is projected to gain almost 28,100 new housing units in the same period. The number of household residents is projected to increase by 11,400 in the Eastern Neighborhoods and by 59,600 citywide, as shown in Table I-6.

Table I-6
Projected Growth of Household Population and Housing Units
2006 to 2025
Eastern Neighborhoods and San Francisco

	Eastern Neighborhoods	San Francisco
Household Population	11,386	59,568
Housing Units	5,873	28,092
Persons per Household	1.94	2.12

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, and Seifel Consulting Inc.

2. Projected New Employment and Non-Residential Development

The Eastern Neighborhoods are projected to gain roughly 7,800 jobs between 2006 and 2025. Most of these jobs, close to 6,500, will be in office occupations, described as management, information and professional services. The Planning Department also projects significant increases in retail, which will add 1,900 new jobs, and in cultural, institutional and educational facilities and services (CIE), which will gain 1,800 jobs. The only category that will suffer a net loss of jobs is industrial/PDR, which is expected to lose more than 3,000 jobs. Assuming that each PDR job occupies 350 square feet, the Planning Department projects a loss of more than 1 million square feet of industrial space in the Eastern Neighborhoods. Total net new non-residential development in the Eastern Neighborhoods is projected at 1.5 million square feet, as shown in Table I-7.

Table I-7
Projected Growth in Employment and Non-Residential Development
2006 to 2025
Eastern Neighborhoods

Non-Residential Land Use	New Employment	Estimated SF per Employee^a	New Development (SF)
Cultural/Institutional/Educational	1,801	225	405,235
Motel/Hotel ^b	2	400	609
Medical	604	225	135,930
Office	6,489	225	1,459,945
Retail	1,906	300	571,712
Industrial/PDR	-3,035	350	-1,062,162
Total Development/Employment	7,767		1,511,269

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

b. Total may not exactly add up due to rounding.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

San Francisco will gain 98,500 jobs between 2006 and 2025, according to the Planning Department's estimates, as shown in Table I-8. The majority of these jobs, 55,500, will be created in office occupations, and a significant increase of 17,800 jobs will also occur in retail. The Planning Department also forecasts a net increase of 3,700 jobs in PDR, many of which will occur in the southeast sector of the City, but in neighborhoods outside of the Eastern Neighborhoods, such as Bayview/Hunters Point and Western SoMa. This differs from the assessment in the Eastern Neighborhoods, where PDR employment is projected to decline. These projections estimate that close to 25 million square feet of non-residential development will occur in San Francisco.

Table I-8
Projected Growth in Employment and Non-Residential Development
2006 to 2025
San Francisco

Non-Residential Land Use	New Employment	Estimated SF per Employee^a	New Development (SF)
Cultural/Institutional/Educational	12,270	225	2,760,828
Motel/Hotel	3,765	400	1,505,919
Medical	5,441	225	1,224,163
Office	55,464	225	12,479,403
Retail	17,809	300	5,342,670
Industrial/PDR	3,721	350	1,302,491
Total Development/Employment	98,470		24,615,474

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

F. Summary of Existing and Projected New Development

This chapter has described existing and projected development in the Eastern Neighborhoods and citywide for calculation of the Eastern Neighborhood nexus amounts, in addition to background information on the Report organization, nexus study process, legal basis for impact fees, and methodology. It contains information regarding population, housing units, employment, and non-residential square footage of development. The nexus between new development and needed facilities will be based on new development's proportionate share of the total foreseeable population, employment and other factors. The results of the development projections are summarized in Tables I-9 and I-10. They will be used to apportion the cost of needed projects in the accompanying nexus study chapters.

Table I-9
Summary of Key Background Information for Nexus Study

Eastern Neighborhoods			
Residential	Existing (2006)	New	Total (2025)
Household Population	70,295	11,386	81,681
Housing Units	26,976	5,873	32,849
Non-Residential			
Employment by Land Use	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	4,646	1,801	6,447
Motel/Hotel	294	2	296
Medical	4,624	604	5,228
Office	24,260	6,489	30,749
Retail	9,176	1,906	11,082
Industrial/PDR	31,385	-3,035	28,350
Total Employees	74,385	7,767	82,152
Non-Residential Square Footage	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	1,045,340	405,235	1,450,575
Motel/Hotel	117,791	609	118,400
Medical	1,040,370	135,930	1,176,300
Office	5,458,425	1,459,945	6,918,370
Retail	2,752,888	571,712	3,324,600
Industrial/PDR	10,984,861	-1,062,162	9,922,699
Total Square Footage	21,399,675	1,511,269	22,910,944
San Francisco			
Residential	Existing (2006)	New	Total (2025)
Household Population	774,880	59,568	834,448
Housing Units	338,119	28,092	366,211
Non-Residential			
Employment by Land Use	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	93,687	12,270	105,958
Motel/Hotel	21,391	3,765	25,155
Medical	41,776	5,441	47,217
Office	307,261	55,464	362,725
Retail	101,657	17,809	119,466
Industrial/PDR	96,693	3,721	100,415
Total Employees	662,466	98,470	760,936
Non-Residential Square Footage	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	21,079,672	2,760,828	23,840,500
Motel/Hotel	8,556,222	1,505,919	10,062,141
Medical	9,399,662	1,224,163	10,623,825
Office	69,133,774	12,479,403	81,613,177
Retail	30,497,185	5,342,670	35,839,855
Industrial/PDR	33,842,648	1,302,491	35,145,139
Total Square Footage	172,509,163	24,615,474	197,124,637

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, Planning Department, and Seifel Consulting Inc.

II. Library Component

This chapter presents the facts and reasoning supporting the library component of the Eastern Neighborhoods nexus amount. This chapter builds upon Chapter I of this Report, which includes projections of new residential population and development relevant to this nexus amount.

A. Summary of Library Nexus Amount

The proposed library nexus amount is \$0.13 per residential square foot. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

B. Purpose and Use of Potential Revenues

The public library system consists of one Main Library and 27 branch libraries. According to San Francisco Public Library (SFPL) service area maps, the Eastern Neighborhoods are currently served by the Main Library, Mission Branch, Potrero Branch, and Mission Bay Branch.¹ SFPL does not anticipate the need for additional libraries in the Eastern Neighborhoods.

While SFPL does not indicate a need for future branch libraries, an increase in residential population could add to the need for library materials and improvements. The library component of the Eastern Neighborhoods Impact Fee will provide the revenue necessary to fund the cost of additional materials, renovation and rehabilitation caused by increased use of library facilities as neighborhood population increases.

The potential library revenues will be used for acquisition of additional library materials, including books, digital resources and other materials necessary to provide library services to new Eastern Neighborhoods residents. In addition, SFPL may fund a portion of future library renovations or rehabilitations.

C. Type of Development on Which Fees Are Imposed

The City proposes to require new residential development in the Eastern Neighborhoods to pay a library impact fee based on the library nexus amount calculated in this chapter. These requirements are imposed on new residential development to meet the demand for library materials and improvements created by new residents.

¹ Branch Facilities Plan, San Francisco Public Library, 2006. The Branch Library Improvement Program was initiated under Proposition A in 2000.

D. Calculation of Library Nexus Amount

1. Demographic Assumptions

Sections D and E of Chapter I outline the demographic assumptions used to calculate the library component. The calculations use a baseline year of 2006 and project development through 2025, consistent with the estimates described in Option B of the Eastern Neighborhoods Rezoning and Area Plans DEIR.

2. Summary of Cost for Materials and Renovation

According to SFPL, the Rincon Hill impact fee formula of \$69 per new resident is consistent with the service standards used by the Library for allocating resources to neighborhood branch libraries.² Seifel escalated the Rincon Hill fee to reflect inflationary growth in costs from 2005 (when the cost per resident was initially determined) to 2007, resulting in a current dollar amount of \$74 per new resident.³

E. Library Nexus Amount

The calculation of the library materials and renovation nexus amount is shown in Table II-1. The materials and renovation cost per new resident of \$74 is multiplied by the projected persons per household for new development to derive a nexus amount per housing unit. A 5 percent fee to cover program administration is then applied. Fees will be allocated to residential development on a square-foot basis. Therefore, the nexus amount per housing unit is divided by the average square feet of a housing unit, as projected by the Planning Department, to arrive at the library nexus amount of \$0.13 per residential square foot.

² Rincon Hill Area Plan, City 2005 General Plan.

³ Seifel escalated the 2005 materials cost to 2007 dollars using the average annual Consumer Price Index for all Urban Customers for the San Francisco/Oakland/San Jose area.

Table II-1
Library Materials and Renovation Nexus Amount
Eastern Neighborhoods

Factor	Calculation	Result
(A) Materials and Renovation Cost per New Resident ^a		\$74.00
(B) Persons per Household ^b		1.94
(C) Nexus Amount per Housing Unit	(A)*(B)=(C)	\$143.48
(D) Administrative Fee ^c	(C)*5%	\$7.17
(E) Total Nexus Amount per Housing Unit	(C)+(D)	\$150.65
(F) Average Gross SF per Housing Unit ^d		1,160
Library Nexus Amount per Residential SF	(E)/(F)	\$0.13

- a. Library department reported \$69/resident as the service standard for the costs of materials and renovation utilized in Rincon Hill in 2005. Seifel escalated the standard from 2005 to 2007 dollars using the average annual CPI-U for San Francisco/Oakland/San Jose area.
- b. For the purposes of this study, new households are assumed to be the same as housing units as explained in the background chapter. Persons per household is based on the calculated persons per household for new development from 2006 to 2025 in the Eastern Neighborhoods.
- c. Administrative fee is calculated at 5 percent of costs to cover program administration.
- d. Projected average housing unit size based on Planning Department estimates. Gross square footage assumes 80 percent efficiency.

Source: Library Department, Planning Department and Seifel Consulting Inc.

III. Transportation Component

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

A. Summary of Transportation Nexus Amount

Based on the methodology and information presented in this chapter, the transportation nexus amount is calculated for each land use and summarized in Table III-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

Table III-1
Summary of Transportation Nexus Amount
Eastern Neighborhoods

Land Use	Nexus Amount per SF
Residential	\$8.81
Non-Residential	
Cultural/Institutional/Educationa	\$57.76
Motel/Hotel	\$26.21
Medical	\$34.39
Office	\$21.76
Retail	\$240.48
Industrial/PDR	\$9.50

Source: Seifel Consulting Inc.

B. Purpose and Use of Potential Revenues

The City plans to use funds from the transportation component of the broader Eastern Neighborhoods Impact Fee to provide capital improvements to the transportation system in the Eastern Neighborhoods, including transit, streets, and sidewalks. This will ensure that future development bears its fair share of responsibility for the local transportation system.

In order to maintain the quality of life in the Eastern Neighborhoods, transportation revenues need to be spent locally, because enhanced facilities will be required to meet the increased impact on all transportation modes from new development. Fee revenues will not be applied to correct existing deficiencies. Rather, revenues will be used to expand and improve the transportation system to accommodate increased usage from new workers and residents resulting from new development.

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

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the transportation component to residential and non-residential development in the Eastern Neighborhoods. Both residential and non-residential development will impact the transportation system, and the transportation improvements that will be funded by the Eastern Neighborhoods Impact Fee will benefit new residents, employees, customers, and visitors.

The fee schedule is differentiated among the following land use types to reflect differences in the amount of trips each land use generates:

- Residential Development
- Non-Residential Development
 - Civic/Institutional/Educational
 - Motel/Hotel
 - Medical
 - Office
 - Retail
 - Industrial/PDR

D. Calculation of Transportation Nexus Amount

The approach to the transportation nexus amount relies on identifying the relative impact of new development in the Eastern Neighborhoods to the need for transportation improvements citywide. San Francisco's transportation is a citywide system; therefore, it is difficult to isolate improvements in a specific area such as the Eastern Neighborhoods. Rather, improvements are viewed from the citywide perspective, and travel demand is utilized to determine the portion attributable to the Eastern Neighborhoods. The study approach assumes that responsibility for funding to alleviate existing deficient conditions in the Eastern Neighborhoods and improvements in the rest of the City will be accepted by the City from sources other than the transportation nexus amount. The nexus amount is calculated as follows:

- Forecast future travel demand in order to determine the relationship between new Eastern Neighborhood trips and total citywide trips.
- Determine projected total unfunded citywide transportation capital expenditures from 2007–2025.

- Apply ratio of new Eastern Neighborhoods trips to net citywide costs to determine costs attributable to new Eastern Neighborhoods development.
- Calculate cost per new Eastern Neighborhood trip and apply cost per trip to applicable land uses using trip generation rates to arrive at a nexus.

1. Trip Assumptions

Trip generation, or the amount of person trips generated by a development, measures how much a particular development contributes to the need for future improvements based on increased travel demand.

In order determine the transportation impact caused by new development in the Eastern Neighborhoods in relationship to the City, this study uses the total daily person trips estimated to be generated by rezoning Option B as published in the Eastern Neighborhoods Rezoning and Area Plans Transportation Study, as part of the DEIR. The travel demand through 2025 published in the DEIR is based on estimated growth and development and projected by the San Francisco County Transportation Authority’s travel demand forecasting model (SF-CHAMP Model). The SF-CHAMP model is an activity based travel demand model that predicts future travel by mode for transit, auto, bicycle, and pedestrian trips.

New Eastern Neighborhoods daily trips are divided by total citywide daily trips in order determine the proportional transportation impact caused by new development in the Eastern Neighborhoods as shown in Table III-2.

**Table III-2
New Eastern Neighborhood Trips as Share of Total Citywide Trips**

New Eastern Neighborhood Daily Trips ^a	131,614
Total Citywide Daily Trips ^b	8,588,040
New EN Trips % of Total Citywide Trips	1.53%

a. Total daily person trips in Eastern Neighborhoods in 2025
(per Option B) minus existing Eastern Neighborhood trips.

b. Total Citywide daily person trips in 2025 per Option B.

Source: Eastern Neighborhoods Rezoning and Area Plans Transportation Study, Seifel Consulting Inc.

2. Citywide Capital Costs

The calculation of the total projected citywide costs for transportation capital improvements through 2025 is based on total costs attributable to transit, streets and right of way improvements, as described below and shown in Table III-3:

- Transit improvement costs are based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25. Transit capital costs include four major capital programs: fleet, infrastructure, facilities, and equipment. MTA defines capital projects as investments in rolling stock, equipment, or physical plant, the costs of which are not covered in the operating budget and which have a depreciable life of more than five years. The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.
- Streets and right of way improvement costs are based on General Fund Draft Capital Plan for Streets and Rights-of-Way, 2009-2018. Streets and right of way projects include street, sidewalk, and irrigation reconstruction, and street trees.

All costs reflect only the amount of capital costs that are currently unfunded. Appendix B presents more detail on costs.

**Table III-3
Projected Total Citywide Transportation Costs
2007–2025**

	Total Unfunded Capital Costs^a
Transit ^b	\$9,375,596,998
Streets and Right of Way ^c	\$459,010,000
Total Costs^d	\$9,834,606,998

a. In FY 2007/08 dollars.

b. Based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25. The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.

c. Based on the costs in General Fund Draft Capital Plan for Streets and Rights-of-Way.

d. Further detail on costs can be found in Appendix B.

Sources: San Francisco MTA and DPW, Seifel Consulting Inc.

3. Cost per Trip

In order to determine the capital costs attributable to new development in the Eastern Neighborhoods, the ratio of new Eastern Neighborhood trips to total citywide trips is applied to total citywide costs as shown in Table III-4.

**Table III-4
Transportation Costs Attributable to New Development^a
Eastern Neighborhoods
2007–2025**

Total Net Citywide Costs ^b	\$9,834,606,998
New EN Trips % of Total Citywide Trips ^c	1.53%
Costs Attributable to EN New Development	\$150,717,971

a. All costs in 2007/08 dollars.

b. Unfunded cost of citywide transportation capital improvements attributable to existing and new development, as shown in Table III-3.

c. As calculated in Table III-2.

Sources: San Francisco MTA and DPW, Seifel Consulting Inc.

After determining the costs attributable to new Eastern Neighborhoods development, the costs are divided by total new Eastern Neighborhood trips to arrive at a cost per trip. A 5 percent fee to cover program administration is then applied to determine a total cost per trip, as shown in Table III-5.

**Table III-5
Cost per Trip
Eastern Neighborhoods
2007**

Costs Attributable to EN New Development	\$150,717,971
Total New EN Trips	131,614
New EN Cost per Trip	\$1,145
Program Administration ^a	\$57
Total Cost per Daily Trip	\$1,202

a. Administrative fee is calculated at 5 percent of costs to cover program administration.

Sources: Eastern Neighborhoods Rezoning and Area Plans Transportation Study, San Francisco MTA and DPW, Seifel Consulting Inc.

E. Transportation Nexus Amount

Each land use creates a different level of impact on the transportation system by generating a different amount of trips. The daily trip rate for each land use according to the Planning Department's Major Environmental Analysis (MEA) Transportation Impact Analysis Guidelines was utilized in order to equitably allocate the cost per trip to each land use in determining the nexus amount. The daily trip rate provides a method for understanding the relationship between the impacts different land uses have on the transportation system in a 24-hour period, which eliminates any double counting of trips. Appendix Table B-3 includes more detail on trip rates.¹

In order to arrive at a nexus amount per unit or 1,000 square feet, the daily trip rate for each land use is multiplied by the cost per daily trip. The nexus amount per housing unit is then divided by the gross square footage of the average unit, as projected by the Planning Department. The nexus amount for non-residential land uses is divided by 1,000 to yield a nexus amount per square foot of new development, as shown in Table III-6.

¹ Whereas the SF-CHAMP model outputs were utilized to establish the relationship between new Eastern Neighborhoods trips and citywide trips, it does not differentiate between the impacts of individual land uses. In order to fairly allocate trip costs to land uses, MEA daily trip rates are utilized to determine the transportation nexus amount.

**Table III-6
Transportation Nexus Amount
Eastern Neighborhoods**

	Cost Per Daily Trip:	Daily Trip Rate	Nexus Amount per Basis	Basis ^a	Nexus Amount per SF ^b
Residential		8.50/unit	\$10,220	Unit	\$8.81
Non-Residential					
Cultural/Institutional/Educational		48.04/KSF	\$57,760	KSF	\$57.76
Motel/Hotel		21.80/KSF	\$26,213	KSF	\$26.21
Medical		28.60/KSF	\$34,389	KSF	\$34.39
Office		18.10/KSF	\$21,764	KSF	\$21.76
Retail		200.00/KSF	\$240,482	KSF	\$240.48
Industrial/PDR		7.90/KSF	\$9,499	KSF	\$9.50

a. Units means a residential unit and KSF means 1,000 square feet.

b. Residential nexus amount per unit is divided by the projected average unit size of 1,160 gross square feet to reach the nexus amount per square foot. Non-residential nexus amounts per KSF are divided by 1,000 to reach a nexus amount per square foot.

Sources: Planning Department, MEA Transportation Impact Analysis Guidelines 1991 and 2002, Eastern Neighborhoods Rezoning and Area Plans Transportation Study, San Francisco MTA and DPW, and Seifel Consulting Inc.

IV. Recreation and Parks Component

This chapter presents the facts and reasoning supporting the recreation and parks component of the Eastern Neighborhoods nexus amount. This chapter builds upon Chapter I, which includes projections of new residential and non-residential development in the Eastern Neighborhoods. This chapter draws on information from the Recreation and Parks Development Impact Fee Justification Study (Recreation and Parks Study) included in this Report as Appendix C.¹ Information in this chapter also draws from the Eastern Neighborhoods Draft Public Benefits Program, to which this Report is an appendix. The calculation methodology for the nexus amount is explained in this chapter along with the purpose and use of potential revenues.

A. Summary of Recreation and Parks Nexus Amount

Based on the methodology and information presented in this chapter, the recreation and parks nexus amount is calculated for each land use and summarized in Table IV-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. From the nexus amount, the Planning Department will determine a feasible impact fee.

Table IV-1
Summary of Recreation and Parks Nexus Amount
Eastern Neighborhoods

	Nexus Amount per SF
Residential	\$10.90
Non-Residential	
Cultural/Institutional/Educational	\$2.66
Motel/Hotel	\$1.49
Medical	\$2.66
Office	\$2.66
Retail	\$1.99
Industrial/PDR	\$1.71

Source: Citywide Development Impact Study, Planning Department, and Seifel Consulting Inc.

¹ The Recreation and Parks Study was prepared by David Taussig & Associates as a chapter of the Citywide Studies.

B. Purpose and Use of Potential Revenues

The City plans to use funds from the recreation and parks component of the broader Eastern Neighborhoods Impact Fee to provide recreation and parks facilities in the Eastern Neighborhoods. This will ensure that future development bears its fair share of responsibility for the local recreation and parks system.

In order to maintain the quality of life in the Eastern Neighborhoods, it is important that recreation and parks revenues are spent locally, because many of its neighborhoods are currently underserved when compared to other areas in the City and enhanced facilities will be needed to meet the demand from new development. Fee revenues will not be applied to correct existing deficiencies. Rather, they will be used to expand and improve facilities to accommodate increased park usage by new workers and residents resulting from new development, as described in Section D of this chapter.

The potential recreation and parks revenues will fund the acquisition and improvement of new parkland, improvements to existing parks and supporting facilities (such as signage and bathrooms), expansion of trails, and construction and renovation of playgrounds, playing fields, and outdoor courts, as well as other amenities.

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the recreation and parks component to residential and non-residential (commercial and industrial) development in the Eastern Neighborhoods. The recreation and parks improvements that will be funded by the Eastern Neighborhoods Impact Fee will benefit both new residents and new employees.

The fee schedule is differentiated among the following land use types to reflect differences in parks usage by residents and non-resident employees:

- Residential Development
- Non-Residential Development
 - Civic/Institutional/Educational
 - Motel/Hotel
 - Medical
 - Office
 - Retail
 - Industrial/PDR

D. Calculation of Recreation and Parks Nexus Amount

1. Demographic Assumptions

Sections D and E of Chapter I outline the demographic assumptions used to calculate the recreation and parks nexus amount. The calculations use a baseline year of 2006 and projected new development through 2025 as published in the Eastern Neighborhoods Rezoning and Area Plans DEIR, Option B.

2. Need Factor

The citywide Recreation and Parks Study bases its need factors on the City's General Plan and the Recreation and Parks Department's August 2004 *Recreation Assessment Report*. According to the General Plan, the City should aim to increase its supply of open space, which would require a net increase in Recreation and Parks Department parkland from its current standard of 4.32 acres per 1,000 residents. However, both the Recreation and Parks Study and the Draft Public Benefits Program acknowledge the difficulty of acquiring large parcels of land for park development and propose instead to meet park needs through a combination of new parkland and facilities and improvements to existing recreational facilities to enable increased utilization.

The need factor for land acquisition is based on the proposed acquisition of a one-acre park in each of the four Eastern Neighborhoods, as outlined in the Draft Public Benefits Program, and the renovation of one existing park in each of the four Eastern Neighborhoods. The increase in park space would be coupled with improvements to existing recreation and parks facilities and intensification of parkland through the construction of new amenities, such as playing fields and outdoor courts.² Although existing parks range in size, one acre is a reasonable assumption for the size of the parks to be renovated. Therefore, the four existing acres will need improvements as shown in Table IV-2. Need factors for these improvements are also summarized in Table IV-2.

The need factor for the walkway and bikeway trails in the Eastern Neighborhoods is based on an estimate of 1.2 miles of the Blue Greenway proposed to run through the Central Waterfront. As the Blue Greenway will serve both existing and new development, the burden for its costs should not fall exclusively on new development. Therefore of the total 1.2 miles of the Greenway, new development will be responsible for the costs of 0.17 miles.³

² The need factors for these improvements are based on the *Recreation Assessment Report* published by the San Francisco Recreation and Parks Department in August 2004.

³ New park users between 2006 and 2025 are approximately 14 percent of total park users in 2025; therefore only 14 percent of the Blue Greenway is attributed to new development. See Section C.5 for an explanation of park users.

Table IV-2
Increase in Need for Recreation and Parks Facilities
due to New Development (2006–2025)
Eastern Neighborhoods

	Need Factor^a	New Population (2006–2025)	Growth in Need
Land Acquisition and Improvement	4.00 acres ^b	N/A	4.00 acres
Open Space and Facilities Improvements Recreational Facilities	4.00 acres ^c	N/A	4.00 acres
Multi-Use Fields	2.25 fields/10,000 residents ^d	11,386	2.56 fields
Tennis	2.00 courts/10,000 residents ^d	11,386	2.28 courts
Outdoor Basketball	2.00 courts/10,000 residents ^d	11,386	2.28 courts
Walkway and Bikeway Trails	0.17 miles ^e	N/A	0.17 miles

- a. Both residents and non-residents are expected to create a demand for parks and recreational facilities, therefore, the total costs are allocated to both types of development based on park users as calculated in Table IV-6.
- b. Based on the goal of acquiring and improving a one-acre park in each of the four Eastern Neighborhoods, as outlined in the Eastern Neighborhoods Draft Public Benefits Program.
- c. Open space and facilities improvements reflect the need to upgrade and improve 4 acres of existing parkland as outlined in the Draft Public Benefits Program.
- d. Based on recommended City standards determined in the San Francisco Recreation and Parks Department's *August 2004 Recreation Assessment Report*. Multi-use fields include softball and baseball fields at 1 per 8,000 residents and soccer fields at 1 per 10,000 residents.
- e. Based on estimated 1.2 miles of Blue Greenway proposed to run the length of Central Waterfront, and adjusted to reflect new development's fair share at 14%.

Source: Eastern Neighborhoods Needs Assessment, Eastern Neighborhoods Rezoning and Area Plans DEIR, San Francisco Recreation and Parks Department, Planning Department, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

3. Summary of Acquisition and Improvement Costs

The costs for land acquisition and facilities improvements are based on cost estimates from the Recreation and Parks Study. The Recreation and Parks Study projects the costs for land acquisition and for providing improved amenities based on an average acquisition price at \$400 per square foot of land and making improvements to existing facilities at about \$192,000 per acre. The Department of Recreation and Parks typically estimates \$200 to \$300 per square foot for land acquisition across the City. The Recreation and Parks Study land acquisition estimates are generally consistent with the findings of a recent study evaluating land value in the Eastern Neighborhoods, which confirmed land acquisition costs ranging from \$134 to \$332 per square foot in the Eastern Neighborhoods, with an average cost per square foot of \$189.⁴

⁴ Average cost based on Clifford Associates report, *Land Value in Eastern Neighborhoods*, April 14, 2008.

The Department of Recreation and Parks also adds another \$125 to \$286 per square foot for planning, design and construction to the base square foot land acquisition costs. Consequently, this recent study confirms the use of \$400 per square foot (both land acquisition and planning, design, and construction) for new parkland as a reasonable figure for purposes of calculating fee assessment. Table IV-3 presents the cost assumptions.

**Table IV-3
Recreation and Parks Facilities Costs
Eastern Neighborhoods**

Land Acquisition and Improvement ^a	\$17,424,000 per acre
Open Space and Facilities Improvements ^b	\$192,258 per acre
Recreational Facilities ^c	
Multi-Use Fields	\$1,492,214 per field
Tennis	\$196,992 per court
Outdoor Basketball	\$123,612 per court
Walkway and Bikeway Trails ^d	\$869,474 per mile

- a. Estimated by the City and County of San Francisco Real Estate Division and published in the Recreation and Parks Study (equivalent to \$400 per square foot of land area).
- b. Estimated by David Taussig & Associates, Inc. and published in the Recreation and Parks Study.
- c. Based on average cost for parks facilities improvements estimated by San Francisco Recreation and Parks Department and published in the Recreation and Parks Study.
- d. Calculation based on estimates by the San Francisco Recreation and Parks Department and David Taussig & Associates, as published in the Recreation and Parks Study.

Source: City and County of San Francisco Real Estate Division, Citywide Development Impact Fee Study, David Taussig & Associates, San Francisco Recreation and Parks Department, and Seifel Consulting Inc.

In order to arrive at the costs for recreation and parks facilities attributable to new development, the facilities costs shown in Table IV-3 were applied to the need factors to arrive at total land acquisition and improvement cost of approximately \$75.2 million, as shown in Table IV-4.

Table IV-4
Projected Costs for Parkland Acquisition and Recreational Facilities
to Meet Need Induced by Future Growth
Eastern Neighborhoods

	Growth in Need^a	Facilities Cost (per unit)^b	Total Parkland Acquisition and Improvements Costs
Land Acquisition and Improvement	4.00 acres	\$17,424,000	\$69,696,000
Improvements			
Open Space and Facilities Improvements	4.00 acres	\$192,258	\$769,032
Recreational Facilities			
Multi-Use Fields	2.56 fields	\$1,492,214	\$3,822,912
Tennis	2.28 courts	\$196,992	\$448,600
Outdoor Basketball	2.28 courts	\$123,612	\$281,496
Walkway and Bikeway Trails	0.17 mile	\$869,474	\$146,072
Subtotal Improvements			\$5,468,112
Total Land and Improvements			\$75,164,112

a. As calculated in Table IV-2.

b. As calculated in Table IV-3.

Source: Eastern Neighborhoods Rezoning and Area Plan DEIR, Citywide Development Impact Fee Study, David Taussig & Associates, San Francisco Planning Department, and Seifel Consulting Inc.

4. Calculation of Park Users

The allocation of costs between new residential and new non-residential development assumes that residents and employees utilize recreation and parks facilities at different levels of intensity. Therefore, in order to equitably distribute the costs of providing recreation and parks facilities, the number of new residents and employees was translated into park users.

New residents and employees were adjusted based on two assumptions:

1. 55.2 percent of employees in San Francisco also live in the City.⁵
2. Employees that do not live in the City use the City's recreation and parks system less intensively (by a factor of 0.19) than residents.

Therefore, employees who live outside of San Francisco have an impact of 19 percent of a full park user, while employees who live in the City have the impact of a full park user (19 percent as employees and 81 percent as residents).⁶ Table IV-5 shows the calculation of the total number of park users after usage adjustments.

⁵ Based on 2000 Census estimate, published in the Recreation and Parks Study.

⁶ As calculated by the Hausrath Economics Group for the 1998 Phoenix Park and Library Equivalent Dwelling Unit Factors and published in the Recreation and Parks Study.

Table IV-5
New Park Users by Land Use Category
Eastern Neighborhoods

Land Use Category	Total New Residents or Employees (2006-2025) ^a	Number of Employees Residing within City ^b	Number of Employees Not Residing within City ^c	Park Usage Adjustment ^d	New Residential and Non-Residential Park Users ^e
Residential	11,386	4,287	N/A	3,473	10,572
Non-Residential					
Cultural/Institutional/Educational	1,801	994	807	153	153
Motel/Hotel	2	1	1	0	0
Medical	604	333	271	51	51
Office	6,489	3,582	2,907	552	552
Retail	1,906	1,052	854	162	162
Industrial/PDR	-3,035	-1,675	-1,360	-258	-258
Total					11,233

a. For a summary of the number of new residents and employees in the Eastern Neighborhoods, see Chapter I, Table I-9.

b. Total new employees multiplied by 55.2 percent in order to calculate the number of employees that also reside within the City, according to the 2000 Census. The total of these resident employees is shown in the Residential land use category.

c. Total new employees minus the number of employees residing within the City.

d. Factors were calculated by the Hausrath Economics Group for the 1998 *Phoenix Park and Library Equivalent Dwelling Units Factors* and used by David Taussig & Associates in the Recreation and Parks Study. Park usage adjustment based on number of employees residing within the City multiplied by 0.81 and number of employees not residing within the City multiplied by 0.19.

e. Residential park users include total new residents minus employees residing within the City plus the residential park usage adjustment. Non-residential park users equals the non-residential park usage adjustment.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, David Taussig & Associates, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

The costs are divided by the total number of new park users, yielding a cost of \$6,205 per park user for land acquisition and \$487 for facilities improvements. The total cost of recreation and parks facilities is \$6,691 per new park user, as shown in Table IV-6.

**Table IV-6
Recreation and Parks Facilities
Costs per Park User
Eastern Neighborhoods**

	Land	Improvements	Total
Costs ^a	\$69,696,000	\$5,468,112	\$75,164,112
Total New Park Users ^b	11,233	11,233	11,233
Cost per Park User	\$6,205	\$487	\$6,691

a. As calculated in Table IV-3.

b. As calculated in Table IV-4.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

E. Recreation and Parks Nexus Amount

In order to arrive at a recreation and parks nexus amount per square foot of residential and non-residential development, the land acquisition and improvement costs per park user are first converted to costs per residential unit and 1,000 square feet of non-residential development, as shown in Table IV-7.

Table IV-7
Land and Improvement Costs by Land Use Category
Eastern Neighborhoods

	New Residential and Non-Residential Park Users (2006–2025)	Number of New Units or Non-Residential SF (2006–2025) ^a	Park Users per Unit or 1,000 Non-Residential SF	Land Cost per Unit or 1,000 Non-Residential SF ^b	Improvements Cost per Unit or 1,000 Non-Residential SF
Land/Improvement Cost per Park User:					
Residential	10,572	5,873	1.80	\$6,205	\$487
Non-Residential					
Cultural/Institutional/Educational	153	405,235	0.38	\$2,347	\$184
Motel/Hotel	0	609	0.21	\$1,319	\$104
Medical	51	135,930	0.38	\$2,347	\$184
Office	552	1,459,945	0.38	\$2,347	\$184
Retail	162	571,712	0.28	\$1,761	\$138
Industrial/PDR	-258	-1,062,162	0.24	\$1,509	\$118

a. For a summary of the number of new residents and employees in the Eastern Neighborhoods, see Chapter I, Table I-9.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, David Taussig & Associates, and Seifel Consulting Inc.

Finally, the costs per unit and 1,000 square feet of non-residential development are converted to a cost per square foot, assuming an average residential unit of 1,160 gross square feet. Program administration costs are assumed at 5 percent of land acquisition and facilities improvements costs. The total recreation and parks nexus amount per square foot by land use is shown in Table IV-8.

**Table IV-8
Recreation and Parks Nexus Amount
Eastern Neighborhoods**

	Land Cost per Gross SF	Improvement Cost per Gross SF	Program Administration Cost^a	Nexus Amount per Gross SF
Residential^a	\$9.63	\$0.76	\$0.52	\$10.90
Non-Residential				
Cultural/Institutional/Educational	\$2.35	\$0.18	\$0.13	\$2.66
Motel/Hotel	\$1.32	\$0.10	\$0.07	\$1.49
Medical	\$2.35	\$0.18	\$0.13	\$2.66
Office	\$2.35	\$0.18	\$0.13	\$2.66
Retail	\$1.76	\$0.14	\$0.09	\$1.99
Industrial/PDR	\$1.51	\$0.12	\$0.08	\$1.71

a. Based on Planning Department estimates, average unit size in the Eastern Neighborhoods will be 1,160 gross square feet, assuming 80 percent efficiency.

a. Program administration calculated at 5 percent of land and improvement costs.

Source: Citywide Development Impact Study, Planning Department, and Seifel Consulting Inc.

V. Child Care Component

This chapter presents the facts and reasoning supporting the child care component of the Eastern Neighborhoods nexus amount. This chapter builds upon the Citywide Child Care Nexus Study (Child Care Study) included in this Report as Appendix D. In order to remain consistent with the citywide Child Care Study, the nexus amount for the child care component in the Eastern Neighborhoods is calculated using the same methodology.¹ This chapter presents the purpose and use of the nexus amount, summarizes the methodology of the existing study and converts the fees on residential development, which the Child Care Study levies per residential unit, into a per-square-foot amount.

A. Summary of Child Care Nexus Amount

Based on the methodology and information presented in this chapter, the child care nexus amount is calculated for each land use and summarized in Table V-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

Table V-1
Summary of Child Care Nexus Amount
Eastern Neighborhoods

Land Use	Child Care Nexus Amount (per SF)
Residential	\$1.37
Non-Residential	
Cultural/Institutional/Educational	\$1.29
Motel/Hotel	\$0.72
Medical	\$1.29
Office	\$1.29
Retail	\$0.97
Industrial/PDR	\$0.83

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

¹ As described in Chapter I, this Report uses the term “nexus amount” rather than “fee.” The Planning Department will ultimately determine an Eastern Neighborhoods impact fee schedule based on the calculation of the total nexus amount.

B. Purpose and Use of Potential Revenues

While the nexus amount was calculated at a citywide level, the goal of the Eastern Neighborhoods portion is to focus revenues on local facility development.

The purpose of the child care component is to grow the number of local child care spaces to meet demand generated by new residents and workers in the Eastern Neighborhoods. The City will utilize revenues to construct new facilities or provide funding for the expansion of existing facilities. The types of facilities that may receive funding from the impact fee revenues include freestanding child care centers, family child care homes, and child care centers in schools and commercial establishments. The costs for each of these alternatives vary and are discussed in more detail in Section D.3 below.

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the child care fee to residential and non-residential (commercial and industrial) development in the Eastern Neighborhoods.

1. Residential Development

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

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

In the Eastern Neighborhoods, on the other hand, the City plans to apply the same fee evenly for all residential unit types on a square foot basis. Based on the Child Care Study, it is assumed that SRO and senior units will not generate any children by definition and are therefore excluded from the child care fee. Section E describes the conversion of the nexus amount from a per-unit amount to a square-foot basis.

² The Child Care Study exempts SRO units from the calculation, as they are usually occupied by seniors or other groups that are not expected to create a demand for child care spaces.

2. Non-Residential Development

Similarly, the Child Care Study calculates the nexus amount for non-residential development based on different land use categories. Here, the expected impact of different types of development is estimated using an average number of employees per 1,000 square feet of development according to each of the following types of land use:

- Civic/Institutional/Educational
- Motel/Hotel
- Medical
- Office
- Retail
- Industrial/PDR

The proposed child care nexus amount for the Eastern Neighborhoods uses the same land use categories and is the same nexus amount as calculated in the Child Care Study.

D. Calculation of Child Care Nexus Amount

1. Demographic Assumptions

The Child Care Study uses statistics for projected new population and housing units by square foot of residential development as well as for projected new workers by non-residential square foot. The nexus is established for all new residents as well as new workers. Workers who also reside in San Francisco have been excluded in order to avoid double counting them as workers and residents. The Child Care Study excludes Mission Bay, Rincon Hill and Visitacion Valley from their calculations as each of these neighborhoods currently has area-specific fees.

Appendix E presents the Citywide Growth Forecast that informed the calculation of the child care component.

2. Methodology

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

Finally, it subtracts a percentage of children across each cohort that do not need a licensed child care space to arrive at a total number of resident children needing licensed care per 1,000 residents.³ The Child Care Study establishes a need factor of 52.7 licensed child care spaces per 1,000 residents.

In calculating the nexus amount for non-residential development, the Child Care Study subtracts out workers who live in San Francisco in order to avoid double counting their impact as workers and residents. Thus, the calculation only includes those individuals who work in San Francisco, but reside elsewhere. The study assumes that 44.8 percent of workers in the City live elsewhere. Of that group, the study assumes, based on employer surveys, that 5 percent would bring their children into the City and, thus, would require child care. Therefore, the need factor for non-residential development is 22.4 licensed spaces per 1,000 workers.

3. Summary of Costs

The cost of providing licensed child care spaces varies dramatically by type. Creating a new child care center costs \$27,400 per space, while spaces in new, small family child care homes cost only \$500 according to the Child Care Study. On the other hand, a new child care space in a school or commercial space costs \$8,333 or \$13,700, respectively. The study notes the difficulty of predicting where new spaces will be provided, and so it averages the cost across all types of care, which brings the average cost per space to \$12,325.

Developers have the option of paying a linkage fee to be used to provide child care space offsite or providing indoor and outdoor space onsite according to state licensing requirements for different residential and non-residential land uses.⁴

E. Calculation of Residential Nexus Amount

As noted in Section C above, the Child Care Study applies fees to residential development on a per-unit basis. However, as one of the priorities of the rezoning effort is to increase housing in the Eastern Neighborhoods, including smaller units that would be affordable to a wide range of residents, the Planning Department finds it more appropriate to charge residential development on a per-square-foot basis. This prevents smaller units from being charged the same impact fees as larger units developed within the same land use category. Thus, the residential portion of the citywide fees has been converted to a nexus amount per square foot. This conversion will also allow the child care nexus amount to remain consistent with the nexus amounts calculated in previous chapters of this Report. The conversion is based on average unit sizes used by the Child Care Study and is shown in Table V-2.⁵

³ Assumes a percentage of children would not require licensed care as they may receive unlicensed care from nannies, friends, relatives, or other sources.

⁴ For a detailed description of state child care licensing requirements, refer to Section 7 of Appendix D.

⁵ Average unit size converted to gross square feet based on 80 percent unit efficiency.

Table V-2
Residential Nexus Amount per Square Foot
Eastern Neighborhoods

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

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

b. As calculated in the Citywide Study.

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

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

F. Child Care Nexus Amount

As shown in Table V-1, the child care nexus amount is \$1.37 per square foot of residential development, \$0.72 to \$1.29 per square foot of commercial development and \$0.83 per square foot of development devoted to industrial uses.

VI. Impact Fee Maintenance

This brief chapter addresses ongoing maintenance of the impact fee through annual updates and periodic revisions.

In order to stay current with the increasing costs of building facilities, transportation improvements, child care spaces, and recreation facilities and parks, the Eastern Neighborhood Impact Fee should be reviewed on an annual basis and updated based on appropriate indices. This will allow the City to collect enough funds to maintain its facilities and services to serve new development, even as the costs of construction, land, labor, and other inputs fluctuate.

Additionally, it may also be the case that, with time and new information, the methodologies used to calculate the nexus amount may become outdated, the community may decide that new development has generated new needs, or that the needs outlined in this Report no longer need to be addressed through impact fees. Thus, in order to ensure the impact fee is as relevant as possible to the needs of new and existing Eastern Neighborhoods residents and workers, further review may be required every five to six years, including a complete evaluation of the methodologies outlined in this Report.

Appendices

San Francisco Eastern Neighborhoods Nexus Study

- Appendix A. Eastern Neighborhoods Needs Assessment
- Appendix B. Transportation Costs
- Appendix C. Citywide Study—Recreation and Parks
- Appendix D. Citywide Study—Child Care
- Appendix E. Citywide Growth Forecast

Appendix A:
Eastern Neighborhoods Needs Assessment

Needs Assessment

San Francisco Eastern Neighborhoods

December 17, 2007

Prepared for:

San Francisco Planning
Department

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Appendices

Appendix A: Needs Tables

Appendix B: Western SOMA

I. Introduction

The City of San Francisco Planning Department (Planning Department) is evaluating the potential rezoning of land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. In Spring 2006, the Planning Department retained Seifel Consulting Inc. (Seifel) to assess the current and future need for key services and amenities in the Eastern Neighborhoods and Central Waterfront areas in order to inform the Planning Department's evaluation. The initial needs findings were memorialized in the Draft Eastern Neighborhoods Needs Assessment, September 2006. In October/November 2007, Seifel updated the 2006 initial need findings in light of additional research and time passed.

The services and amenities covered in this assessment include open space, parks and recreational facilities, community facilities and services, neighborhood serving businesses, and housing.

The Planning Department is evaluating funding mechanisms to address the needs for some key services and amenities. This report will help inform the rezoning process and the decision of what funding mechanisms to pursue for various needs.

This report begins by describing the study area in Chapter II, and then outlines demographic sources and techniques used to perform the needs analysis in Chapter III. Chapter IV provides a summary of findings including tables showing projected needs and need category definitions. Chapter V presents the needs analysis by category, and Chapter VI concludes the report.

II. Study Area

Seifel evaluated the current and future needs in four neighborhoods within the Eastern Neighborhoods and Central Waterfront areas.

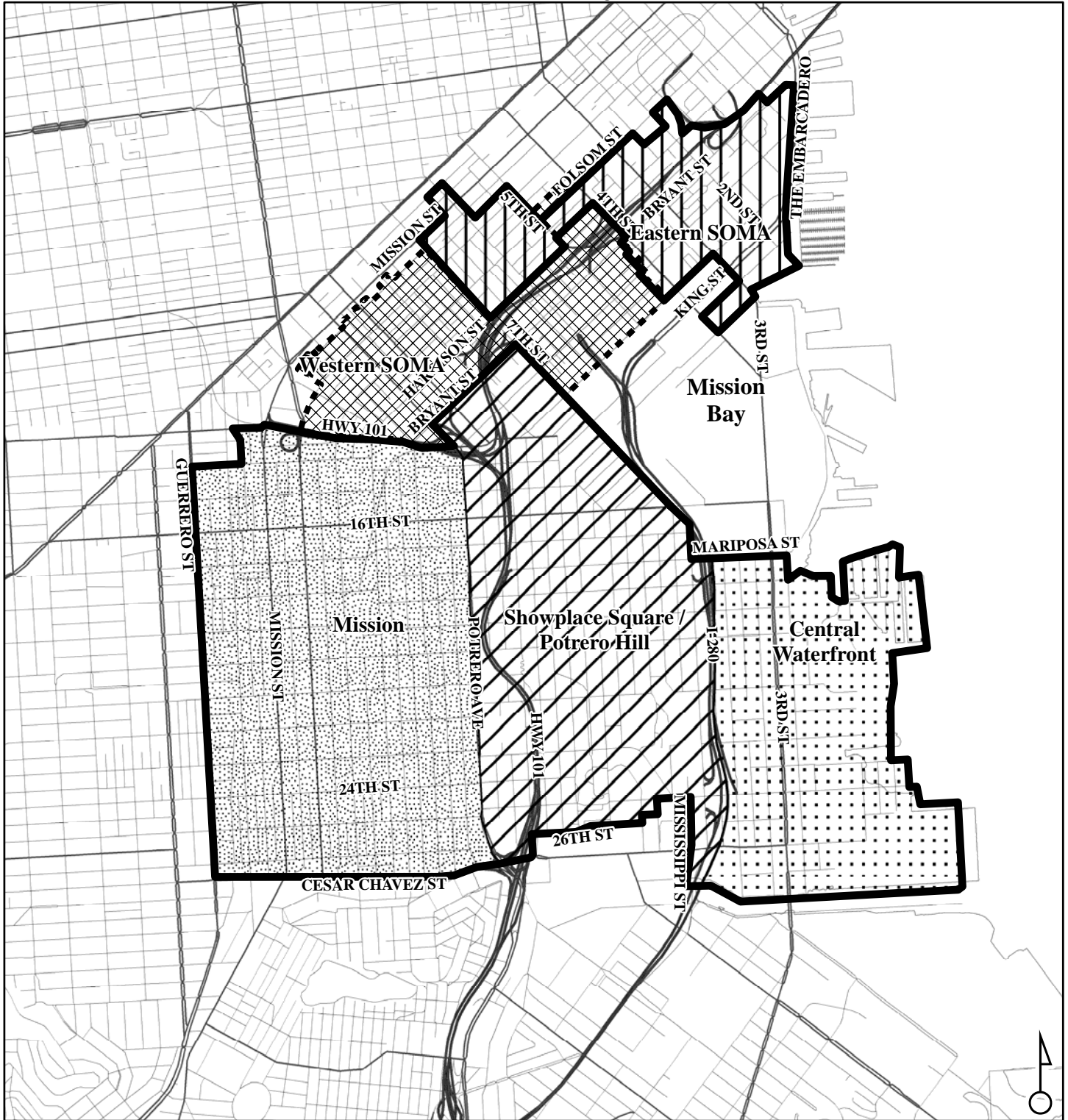
- Mission
- Showplace Square/Potrero Hill
- Eastern South of Market Area (SOMA)
- Central Waterfront

In the rest of this memo, these areas are collectively called the "Eastern Neighborhoods."

The findings and methodology from the needs assessment for these four neighborhoods are described within this memorandum. Appendix A includes a summary needs table and detailed tables by neighborhood. In addition, Seifel assessed the current needs in the Western SOMA neighborhood, which is included in Appendix B.





See Figure II-1 for boundaries of the study area.

Figure II-1
 Study Area Boundary and Subareas
 San Francisco Eastern Neighborhoods



 Eastern Neighborhoods Study Area Boundary
 Western SOMA Additional Area

Eastern Neighborhoods Subareas

 Central Waterfront
 Eastern SOMA
 Mission
 Showplace Square / Potrero Hill

0 0.25 0.5 1 Miles

Seifel
 CONSULTING INC.

III. Demographic Sources and Techniques Used to Perform Needs Analysis

A. Techniques

Four main techniques were used to perform the needs analysis:

- Review of available studies, maps and reports, including the General Plan, existing City impact fee studies, departmental databases, and facility plans.
- Review of work performed to date on the potential expansion of the City’s development impact fee program.
- Interviews regarding future capital needs and planning with personnel from key City departments, including: Department of Aging and Adult Services, Department of Children, Youth and Families (DCYF), Human Service Agency, San Francisco Arts Commission, San Francisco Fire Department (SFFD), San Francisco Police Department (SFPD), Department of Public Health (DPH), Recreation and Park Department (RPD), and San Francisco Unified School District (SFUSD).
- Estimates of current and future need assuming that the City meets standard levels of service provision for the Eastern Neighborhoods in each key need area.

B. Demographic Sources

1. Socioeconomic Impact Analysis

As a part of the Eastern Neighborhoods Community Planning Process, the Hausrath Economics Group (Hausrath) prepared a Socioeconomic Impact Analysis. The Administrative Draft Socioeconomic Impact Analysis (Draft for Public Review), which was released in March 2007, outlines the impacts on employment and housing due to the proposed rezoning. The socioeconomic data contained in the Hausrath report was used as a baseline for the needs assessment.

2. Demographic Projections

In determining future needs, Seifel used the 2025 demographic projections for the land use scenario, Revised Option B, developed by the Planning Department and first introduced in the February 2003 report *Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook—First Draft*.¹

¹ The Option B Revised land use scenario reflects updated planning area boundaries and additional pipeline projects, but is essentially the same as the growth scenario outlined in 2003.

IV. Summary of Preliminary Findings

The needs assessment evaluated both the current levels of service and projected need for service in the Eastern Neighborhoods, as well as the net remaining need at build-out. The following key findings were observed:

- Current levels of service are adequate for the future in the following analysis categories:
 - Citywide open space
 - High school facilities
 - Library facilities
 - Police and fire stations
- Based on the build out projections, the following services/amenities will be needed in the future:
 - District, neighborhood and subneighborhood open space and maintenance
 - Recreational facilities and maintenance
 - Public health centers
 - Human service centers
 - Cultural centers
 - Middle and elementary schools
 - Licensed childcare spaces
 - Library materials
 - Transportation and transit service
 - Neighborhood serving businesses²
 - Affordable housing

Table IV-1 summarizes the projected need for each key service category at build out of the Eastern Neighborhoods. Table IV-2 describes each need category and outlines which analysis categories are included.

² While specific data regarding current levels of service for neighborhood serving businesses is not readily available, anecdotal evidence indicates a lack of neighborhood serving businesses. Furthermore, new neighborhood serving businesses will be needed at build out to serve the new residents.

**Table IV-1
Need Projections
San Francisco Eastern Neighborhoods**

Analysis Categories	2025 Need Projection	Notes on Need Provision
Open Space and Recreation Facilities		
Open Space & Parks – District, Neighborhood & Subneighborhood	14.5 acres	New parks and/or intensified use of existing parks & open space
Open Space & Parks Maintenance	\$89,000 per year	
Open Space Recreational Facilities	707,760 SF	
Recreational Facilities Maintenance	\$79,000 per year	
Community Facilities & Services		
Education		Potential need could be met through relocation or new facility
Middle School (6-8)	up to 1 school	
Health Care	0.65 centers	Expansion and/or shared facility
Human Service Agencies	0.49 centers	Expansion and/or shared facility
Cultural Centers	0.16 centers	Expansion and/or shared facility
Public Libraries (Materials)	\$74 fee/resident	
Police (Equipment)	11 squad cars	
Child Care	4,447 spaces	
Infants (0 to 24 months)	619 spaces	
Pre-School (2 to 5 years)	2,099 spaces	
School Aged (6 to 13 years)	1,729 spaces	
Neighborhood Serving Businesses		
Drug Stores	9,748 SF	
Supermarkets	60,040 SF	
Restaurants without liquor	42,611 SF	
Restaurants with liquor	29,466 SF	
Personal Service	18,093 SF	
Other Neighborhood Serving Retail	9,231 SF	
Affordable Housing	4,716 units	
Very Low (<50% AMI)	1,901 units	
Low (<80% AMI)	771 units	
Moderate (<120% AMI)	2,044 units	
Transportation and Transit	Unknown	To be specified through further study

**Table IV-2
Definitions for Needs Assessment
San Francisco Eastern Neighborhoods**

Need	Definition	Analysis Categories	Explanation
Open Space & Recreational Facilities	A variety of publicly-accessible spaces including traditional parks, walkways, landscaped areas, recreation facilities, playing fields and unmaintained open areas.	Open Space & Parks - Citywide	Flagship parks, Regional parks, Undeveloped open space, Civic squares and plazas, Large public gardens, Lakes, Greenbelts, Viewsheds
		Open Space & Parks - District, Neighborhood & Subneighborhood	Land and maintenance of: Neighborhood parks, Greenscapes, Mini-parks, Improved alleyways, Widened amenitized sidewalks, Median strips, Greenways, Community Gardens
		Recreational Facilities	Facilities and Maintenance of: Activity Centers, Senior Centers, Arts and Community Centers, Archery, Basketball Courts, Clubhouses, Day Camps, Dog Parks, Equestrian Areas, Fieldhouses, Stadiums, Boating Facilities, Greenhouses, Maintenance Facilities, Museums and Programmed Areas, Offices, Performance Spaces, Picnic Areas, Play Areas and Structures, Playing Courts and Fields, Recreation Centers, Restrooms, Shelters, Shops and Concessions, Skateparks, Swimming Pools, Tennis Courts, Volleyball Courts
Community Facilities & Services	Facilities serving the basic social, health and educational needs of a neighborhood or community.	Education - Student Facilities	Classroom space needed for public education, grades K-12
		Public Libraries	Library facilities and materials
		Police	Police stations and equipment
		Fire	Fire stations and equipment
		Health Care	Publicly-funded health clinics and facilities serving low income residents
		Human Services	City funded "one-stop" centers that include employment and workforce development services, services for senior and adults with disability, and/or youth and family services ^a
		Cultural Facilities	City-owned facilities providing providing accessible arts opportunities for all San Franciscans through cultural arts and programs
Neighborhood Serving Businesses	Businesses catering to the daily needs of neighborhood residents and not necessarily drawing many customers from outside the neighborhood.	Drug Stores	N/A
		Supermarkets	N/A
		Restaurants	Includes full-service restaurants, specialty restaurants such as coffee shops, ice cream parlors, donut shops, and fast food restaurants
		Personal Service	Coin-operated laundry, dry cleaning, hair, nail and personal care salons
		Other Neighborhood Serving Retail	Specialty food stores, convenience stores, gift shops, florists, nurseries and garden supply
Housing	Impact on affordable housing needs resulting from zoning Option B revised.	Supply to meet affordable housing needs	N/A
Transportation	Infrastructure serving the transportation needs of residents and businesses through adequate streets, transit, bicycle and and pedestrian facilities.	Streets	System capacity, traffic signals, physical condition, and safety
		Public Transit	System capacity, frequency of service, service reliability, stop location and physical condition
		Bicycle Facilities	Bicycle lanes, bicycle racks, off-street bicycle parking
		Pedestrian Facilities	Sidewalks, crosswalks, collision control at dangerous intersections

a. Recreation centers for youth and seniors are analyzed in the Open Space and Parks - Facilities section.

Source: San Francisco Planning Department and Seifel Consulting Inc.

V. Needs Analysis

The purpose of this chapter is to present the needs as analyzed given the projected future growth in the Eastern Neighborhoods. For each analyzed need, the methodology used is introduced as well as a need factor given that methodology. This need factor is then considered alongside the projected future growth to determine and assess the need. Analyzed needs are accompanied by a table summarizing findings and, where relevant, a map showing the location of existing facilities and amenities.

The chapter is organized as follows:

- A. Open Space, Parks and Recreational Facilities
- B. Community Facilities and Services
- C. Neighborhood Serving Businesses
- D. Housing

A. Open Space, Parks and Recreational Facilities

The City's open space, parks and recreational facilities are grouped into three categories using the definitions found in the Recreation and Open Space Element of the General Plan, which reflect the different types of services and amenities available:

- Citywide Open Space and Parks—Generally categorized as a publicly accessible space that is 30 acres and over. The special nature of these larger spaces enables residents from other San Francisco neighborhoods to make use of these amenities.
- District, Neighborhood and Subneighborhood Open Space and Parks—District open space is over 10 acres and less than 30 acres and serves more than a single neighborhood or community. Neighborhood open space is categorized as publicly accessible space that is from one to ten acres. These smaller spaces generally serve a single community or neighborhood. Subneighborhood open space and parks are less than one acre and serve immediately adjacent areas.
- Recreational Facilities—Facilities operated by the Recreation and Park District (RPD) that include community centers, sports facilities, performance spaces, and play areas.

San Francisco's Sustainability Plan calls for parks service to be maintained at a level of 5.5 acres per 1,000 residents.³ Seifel's analysis of current acreage of citywide and neighborhood open space and parks reveals that levels of service are provided at approximately a 4:1 ratio of citywide to district/neighborhood/subneighborhood open space and parks. Therefore, a need factor of 4.5 acres per 1,000 residents for citywide parks and one acre per 1,000 residents for district, neighborhood and subneighborhood parks was used to assess current and future need.

³ Per the Quimby Act (California Governmental Code §66477), a city may require the dedication of land or the payment of fees to provide up to 5 acres of park area per 1,000 residents.

1. Open Space and Parks—Citywide

Need factor: 4.5 acres/1,000 residents

No citywide open space currently exists within the study area. However, sufficient amounts of citywide open space are accessible to neighborhood residents. Currently, the City provides approximately 6.3 acres of open space per 1,000 residents and will remain far above the citywide Sustainability Plan standard of 4.5 acres per 1,000 residents, even with the projected future demand from new residents.⁴

Sufficient amounts of citywide open space are accessible to neighborhood residents, and proposals for new citywide spaces, such as Brannan Street Wharf, an open space development over piers on the Embarcadero in Eastern SOMA, Pier 70 in the Central Waterfront, and the Blue Greenway Public Waterfront Trail, a planned 13-mile greenway/waterway network located along the southern waterfront, will increase citywide open spaces within easy access of new residents of the Eastern Neighborhoods.

2. Open Space and Parks—District, Neighborhood and Subneighborhood

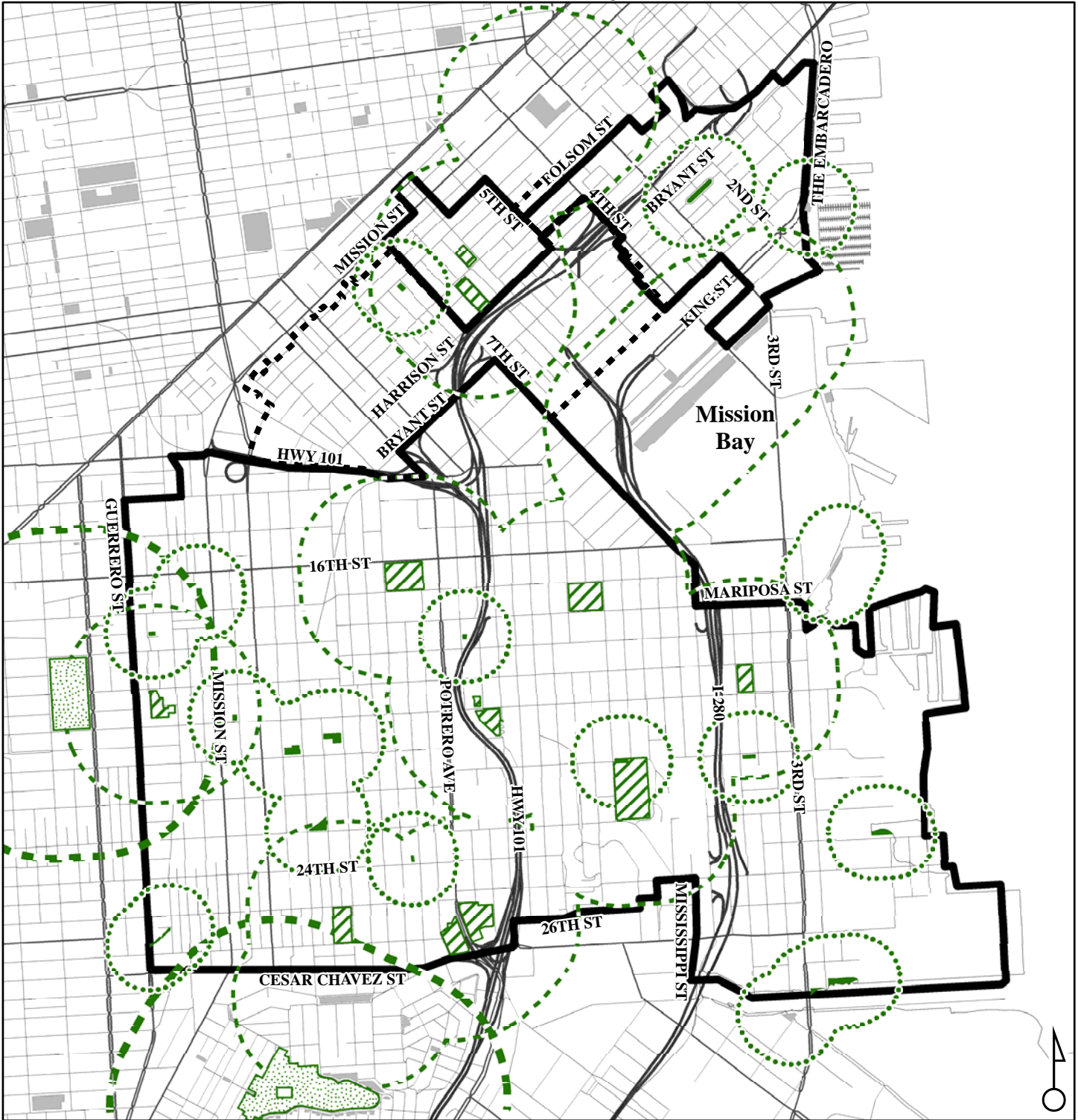
Need factor: one acre/1,000 residents

In order to maintain adequate levels of service, new residents will need additional accessible open space and parks. Using the Need factor of one acre of open space per 1000 residents, Seifel projects that the Eastern Neighborhoods will need approximately 14.5 acres of new neighborhood and/or subneighborhood parks and open space. However, RPD has indicated that needs could be met through intensification of existing park space into more active space.

In addition, the location of these open spaces and parks is also critical to meeting neighborhood needs. The General Plan standards indicate that a neighborhood area has adequate access to open space if it is within one-half mile of citywide open space, three-eighths mile of district open space, one-quarter mile of neighborhood open space or one-eighth mile of subneighborhood open space. The Central Waterfront and portions of the other three neighborhoods lack access to neighborhood and/or subneighborhood open space (Figure V-1).

⁴ Calculations based on inventory from San Francisco Recreation and Park Department, May 2006.

Figure V-1
Public Open Space
San Francisco Eastern Neighborhoods



 Sub-Neighborhood Park (Less than 1 Acre)	 Eastern Neighborhoods Study Area Boundary
 Neighborhood Park (1-10 Acres)	 Western SOMA Additional Area
 District Park (10-30 Acres)	 1/8 Mile Radius from Sub-Neighborhood Parks
 Other Open Spaces	 1/4 Mile Radius from Neighborhood Parks
* No Citywide parks (larger than 30 Acres) serve the Eastern Neighborhoods.	 3/8 Mile Radius from District Parks
0 0.25 0.5 1  Miles	

3. Maintenance and Operating Expenses—Parks

Cost of \$7,835/acre for labor

According to RPD, the existing parks within the Eastern Neighborhoods are relatively well maintained, with an average score of 84 percent on the RPD park maintenance evaluations conducted since June 2005.⁵ While neighborhood residents have reported maintenance deficiencies, Seifel was unable to quantify these deficiencies or the associated costs of rectifying them because RPD has not identified or analyzed these deficiencies.⁶

The current structure of the RPD budget does not allow precise estimation of the costs of maintaining neighborhood parks and open space because the budget does not link park maintenance outcomes to the cost of the relevant inputs (maintenance personnel, capital equipment, etc). In lieu of this detailed information, Seifel estimated a minimum cost factor for maintenance and operating expenses based on direct labor costs and a small overhead factor.

The city will likely need to hire one additional Gardener (class 3417) to service the 14.5 acres of new neighborhood and/or subneighborhood parks and open space projected to be needed in the Eastern Neighborhoods.⁷ The total labor cost of a Gardener is approximately \$74,400 per year, which includes wages plus required benefits.⁸ Since maintenance of the new parks will require additional management and supervisory oversight, Seifel multiplied this cost by an overhead factor of 1.2, to reach a total estimated labor cost of \$89,300 for new Eastern Neighborhood parks. This figure translates to \$7,835 per acre for future park maintenance.⁹

⁵ Evaluations are based on park maintenance standards published by RPD in May 2005. Most parks in the Eastern Neighborhoods were evaluated at least twice through Summer 2006.

⁶ The Neighborhood Parks Council gave some playgrounds within the Eastern Neighborhoods failing or almost failing grades and has criticized the RPD evaluations for being inconsistent, but the NPC 2006 Report Card also granted As and Bs to most of the playgrounds in the study area.

⁷ According to Isabelle Wade of the Neighborhood Parks Council, the national standards for landscaping are one gardener for every 16 acres, but dense urban areas typically require more. However, new parks in the Eastern Neighborhoods are expected to have relatively low landscaping requirements, as they will be neighborhood serving without intense citywide or tourist-driven demand. Maintenance needs may increase over time as the parks age, and every facility has unique maintenance and environmental factors affecting its maintainability. According to RPD, current staffing of gardeners is inadequate, and detailed staffing analysis is underway to quantify staffing needs.

⁸ FY 2006-2007 total compensation (base salary plus mandatory fringe benefits) from Katie Petrucione, Director of Finance and Administration, Recreation and Parks Department.

⁹ The estimated per acre maintenance cost does not include an allowance for the maintenance trades or supplies. This omission is because it was not possible to reasonably assign these costs on a per-park or per-acre basis given available RPD budget information. However, new parks in the Eastern Neighborhoods are unlikely to have significant skilled labor or capital equipment maintenance needs once they are completed.

4. Recreational Facilities

Citywide provision of 21.58 square feet/resident

The City does not have published standards for provision of recreational facilities. Seifel analyzed current citywide levels of facility square footage per capita in order to establish a need factor for recreational facilities. All of the neighborhoods except for Potrero Hill/Showplace Square have an existing need for recreational facilities based on current citywide provision levels, and future residents will need an additional 312,000 square feet of recreational facilities, totaling 708,000 square feet of recreational facilities needed in the Eastern Neighborhoods. See Table IV-2 for the types of facilities included in the calculation.

5. Maintenance and Operating Expenses—Recreation Facilities

Cost of \$0.32/SF for labor

RPD has not yet published maintenance standards for recreation facilities. As with parks, budget data constraints prevent comprehensive analysis of the cost of maintaining new recreation facilities projected for the Eastern Neighborhoods. One additional Custodian (class 2708) will be needed to maintain the 312,000 square feet of recreation space projected to serve new Eastern Neighborhood residents.¹⁰ One additional Custodian would maintain approximately the same ratio of custodians per square foot throughout the city as exists currently.¹¹ At a cost of \$66,100 per year in salary plus benefits times an overhead factor of 1.2, the estimated additional maintenance labor is \$79,300 or \$0.32 per square foot.¹²

**Table V-1
Current and Future Needs
Open Space, Parks and Recreational Facilities
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	(1,366) acres	14,477 residents	65.1 acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	See Figure V-1	14,477 residents	14.5 acres	14.5 acres
Open Space & Parks (Operating Costs)	7,835 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies	14.5 acres	\$ 89,322 annual labor cost	\$ 89,322 annual labor cost
Recreational Facilities	21.58 SF/resident	395,346 SF	14,477 residents	312,414 SF	707,760 SF
Recreation Facilities (Operating Costs)	0.25 \$/SF	N/A	312,414 SF	\$ 79,325 annual labor cost	\$ 79,325 annual labor cost

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

Source: San Francisco Planning Department, RPD, Seifel Consulting Inc.

¹⁰ Since Seifel was unable to estimate the costs of existing maintenance deficiencies in recreation facilities citywide, it did not calculate the “current need” for recreation maintenance.

¹¹ According to RPD, existing staffing levels of custodians are inadequate to meet current needs, but the Budget Analyst’s Management Audit recommends reassigning custodians to better meet demand. RPD is currently conducting a staffing analysis that will allow better quantification of this issue. The recommendation of one additional custodian is conservative.

¹² As with parks, this factor does not include skilled labor maintenance, equipment, or other supplies. It also does not include the cost of additional programming at the recreational facilities.

B. Community Facilities and Services

This section of the report focuses on various facilities and services that maintain or enrich the quality of life for residents of the City of San Francisco's Eastern Neighborhoods. The City's Community Facilities and Services are grouped into the following eight categories:

1. Education
 - Elementary Schools
 - Middle Schools
 - High Schools
2. Public Libraries
 - Facilities
 - Materials and Renovation
3. Police
 - Facilities
 - Equipment and Officers
4. Fire
5. Health Care
6. Human Service Agencies
7. Cultural Facilities
8. Child Care

1. Education

Need factor: Based on desired number of students per school type in San Francisco

SFUSD has a full choice student assignment system that provides families the opportunity to apply to any school within the District. Many families do not list their local school as their first choice. According to SFUSD officials, "the extent to which families opt to attend schools in their neighborhood, the rate at which families from other neighborhoods attend schools in this area, and the overall number of students in the City will determine the actual need for additional "seats" in the Eastern Neighborhoods."¹³

This is an important consideration that must be taken into consideration when determining the need for new and/or expanded school facilities. However, the proximity of schools to neighborhoods remains significant for many current and future Eastern Neighborhoods residents. Seifel thus investigated school capacity in the Eastern Neighborhoods as a whole and by subneighborhood.

¹³ Nancy Waymack. Director of Policy and Operations, SFUSD (December 2007).

The capacity study performed as part of the 2002 SFUSD Facilities Master Plan found excess capacity existed for the Eastern Neighborhood Schools for each school type (elementary, middle, and high school). However, aggregate numbers do not show the extent to which some schools are under-enrolled and others over-enrolled, or the schools' ability to absorb the increased population anticipated as part of the rezoning. Moreover, the issue of location and proximity of schools to current and future populations are lost in aggregate numbers.

Figures V-2, V-3 and V-4 contain current school locations in and around the Eastern Neighborhoods. These maps show that the Mission currently has the majority of the educational facilities in the Eastern Neighborhoods, while Eastern SOMA has one elementary and one small middle school and the Central Waterfront has no open facilities.

Seifel based the household student generation factors for market rate and affordable housing units on the SFUSD's 2002 Demographic Analyses and Enrollment Forecasts (DAEF), assuming that the ratio of elementary, middle and high school students is consistent with existing and projected proportions in the DAEF. Table V-2 shows the projected growth in future public school students in elementary, middle and high school categories.¹⁴ Factoring in current excess capacity where applicable, Seifel used design capacity assumptions from the 2005 Residential Development School Fee Justification Study in order to calculate how many new schools may be needed in the Eastern Neighborhoods.¹⁵

**Table V-2
Current and Future Needs
School Capacity
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Student Capacity and Demand						
High School (9-12)	0.102 students/housing unit	(982) student capacity	7,385 housing units	753 students	(229) students	N/A
Middle School (6-8)	0.069 students/housing unit	(443) student capacity	7,385 housing units	510 students	67 students	N/A
Elementary School (K-5)	0.146 students/housing unit	(1,742) student capacity	7,385 housing units	1,078 students	(664) students	N/A
School Capacity and Demand						
High School (9-12)	1,611 students/school	(0.61) schools	753 students	0.47 schools	(0.14) schools	0 schools
Middle School (6-8)	1,389 students/school	(0.32) schools	510 students	0.37 schools	0.05 schools	* schools
Elementary School (K-5)	656 students/school	(2.66) schools	1,078 students	1.64 schools	(1.01) schools	0 schools

a. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high schools students is consistent with existing and projects proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD. Current capacity and enrollment information from SFUSD, December 2007.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, SFUSD, Seifel Consulting Inc.

¹⁴ DAEF (San Francisco Unified School District, July 2002) estimates a student generation rate of 0.2 students per housing unit and 0.7 students per affordable unit. Seifel estimates that 25 percent of new housing units in the Eastern Neighborhoods will be affordable to low and moderate income households (see Housing section at end of this report).

¹⁵ These design capacity assumptions are that a high school has the capacity for 1,611 students and an elementary school for 656 students. Design capacity for middle schools was not analyzed in the 2005 Residential Development School Fee Justification Study—Seifel estimated middle school capacity of 1,389 students based on the design capacity for elementary schools, adjusted for the fewer number of grade levels and the fewer number of middle schools citywide.

The student capacity calculations above demonstrate the need for an elementary school, and this is reinforced by the fact that no elementary schools are located in the eastern portion of the Study Area (Figure V-2). Seifel therefore recommends that a new elementary school be located in the Central Waterfront, Eastern SOMA or Showplace Square/Potrero Hill neighborhoods.

The student capacity calculations above demonstrate sufficient capacity for projected elementary school students, although some neighborhoods, namely Eastern SOMA and the Central Waterfront, will not be able to meet the demand for new elementary school spaces within their boundaries. Seifel therefore recommends maintain existing elementary schools and monitoring choice patterns of families in the Eastern Neighborhoods for increased demand for local elementary schools.

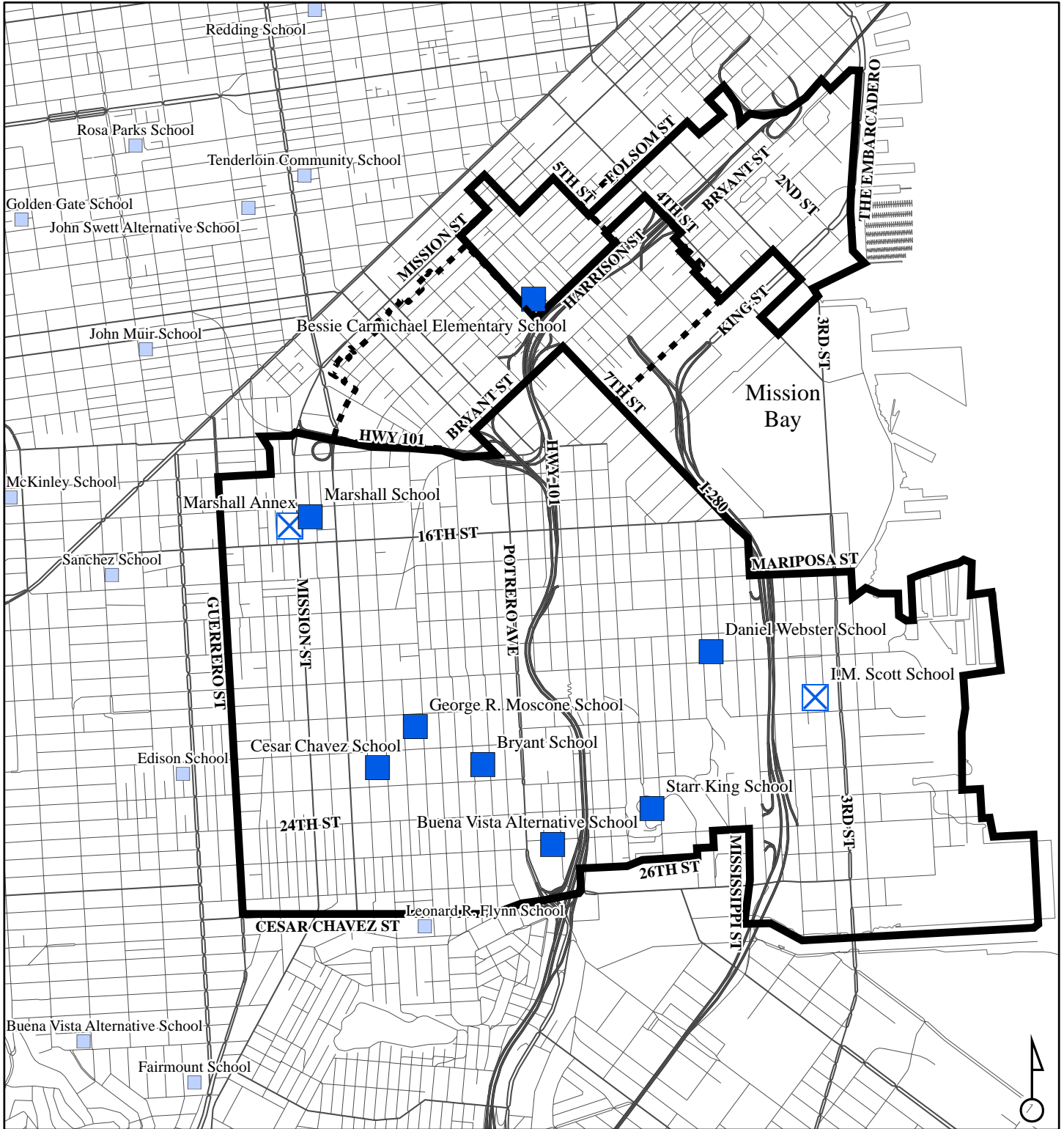
Seifel also recommends that the Planning Department and SFUSD consider adding capacity for middle school students in the Central Waterfront, Eastern SOMA or Showplace Square/Potrero Hill neighborhoods. This recommendation is based on new student projections and limited capacity for middle school students in the area now; currently there is only one middle school in the Eastern Neighborhoods, Horace Mann Middle School, located on the western side of the Mission neighborhood, and one K-8 school, Bessie Carmichael, within Eastern SOMA.¹⁶

Student capacity currently exists in Eastern Neighborhoods high schools. These schools are centrally located in the Eastern Neighborhoods, and future student generation would not be great enough to warrant construction of an additional high school (Figure V-4).

The calculations and recommendations contained in this memo will be impacted by future SFUSD school closures, relocation and merger decisions, as well as future attendance trends in the Eastern Neighborhoods and rest of the District. Updated information about these decisions and trends should be considered before any particular policy or plan is actively pursued.

¹⁶ The middle school at Bessie Carmichael is currently operating out of portable classrooms, with its permanent facility under construction at 824 Harrison Street. There is an additional K-8 school, Paul Revere K-8 School, south of the Eastern Neighborhoods in Bernal Heights.

Figure V-2
Public Elementary Schools
San Francisco Eastern Neighborhoods



Eastern Neighborhoods Study Area Boundary

Western SOMA Additional Area

0 0.25 0.5 1 Miles

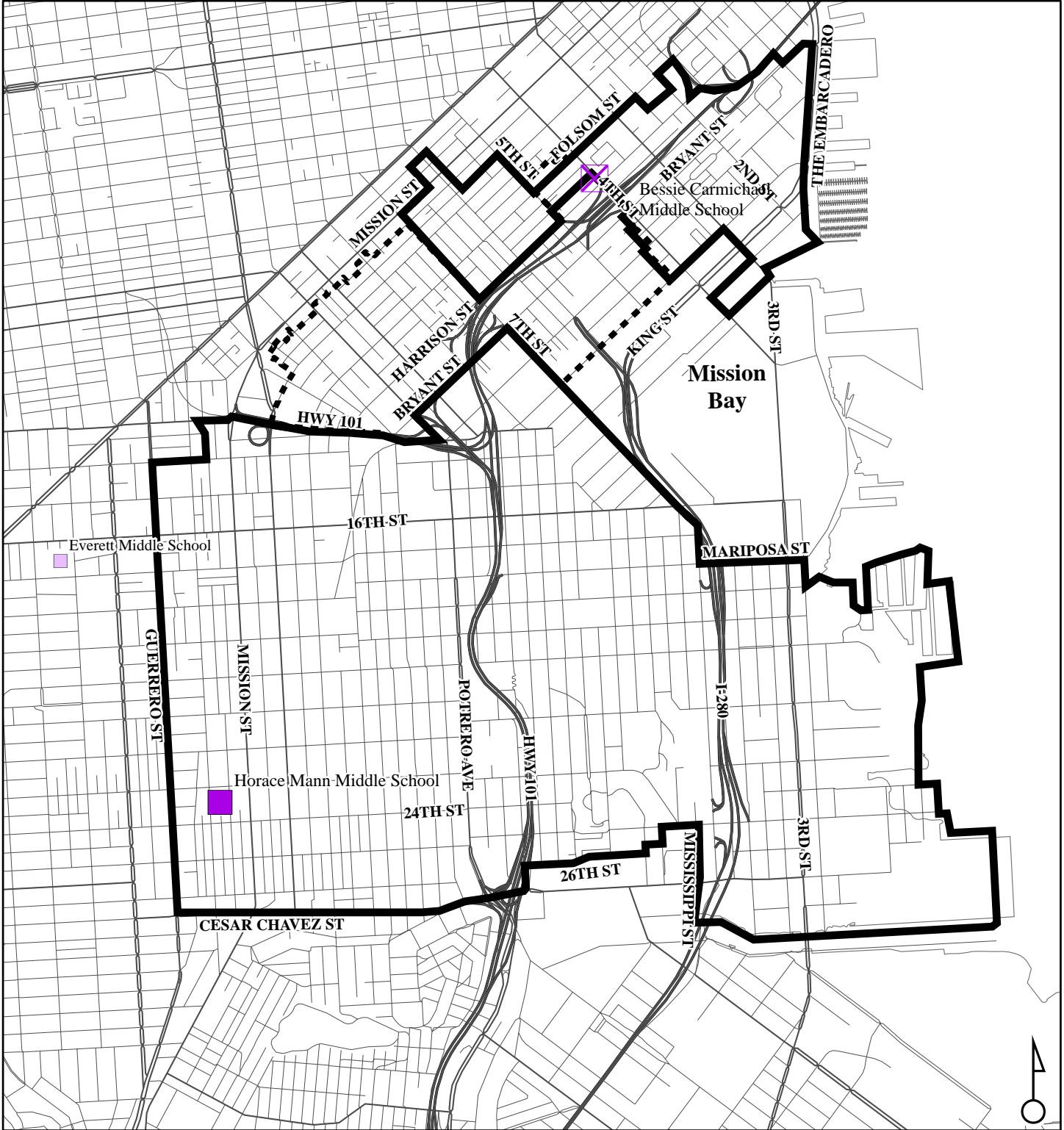
Elementary School within Study Area

Closed Elementary School

Other Elementary School

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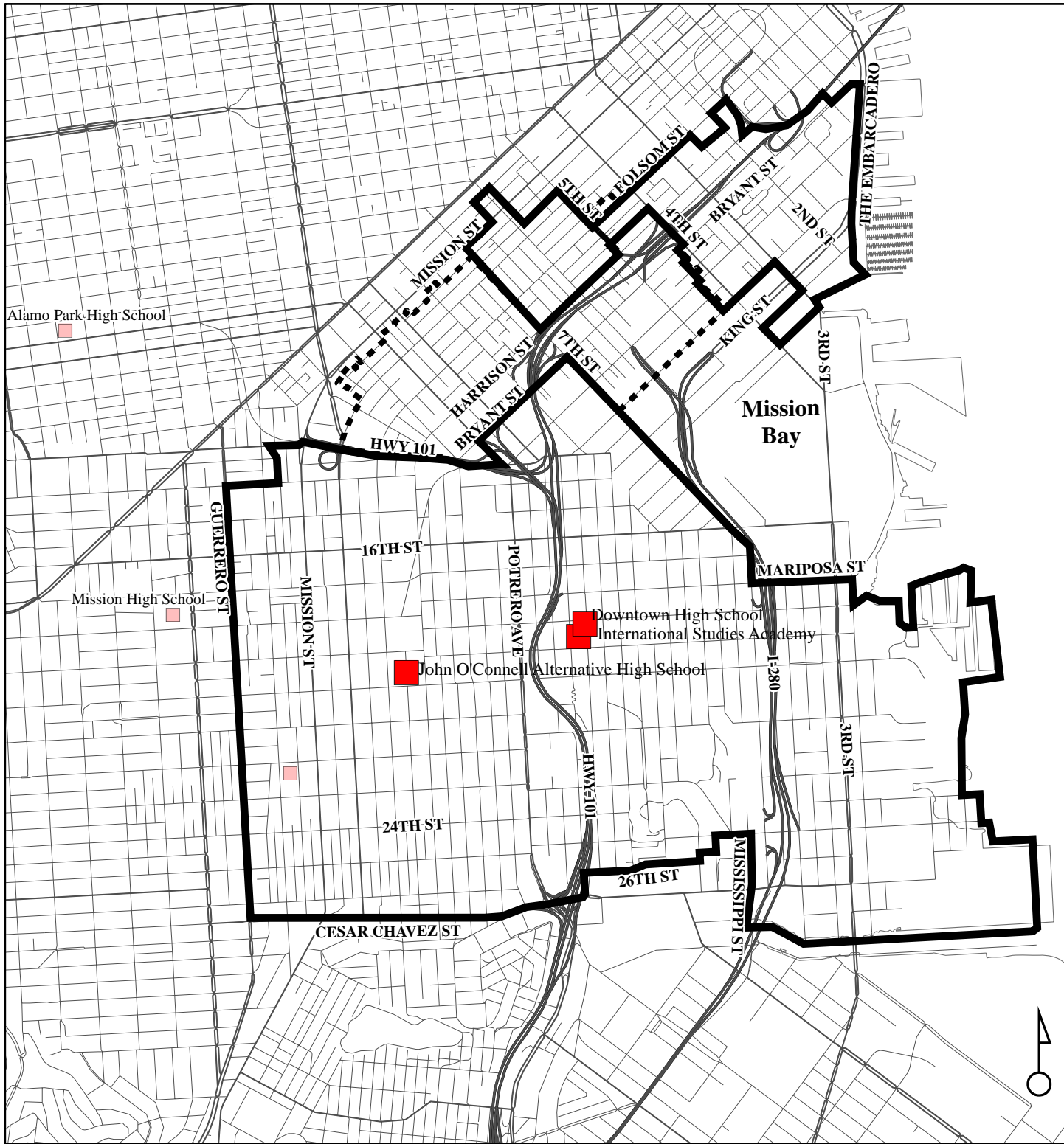
Figure V-3
 Public Middle Schools
 San Francisco Eastern Neighborhoods





	Eastern Neighborhoods Study Area Boundary		Middle School Under Construction
	Western SOMA Additional Area		Middle School within Study Area
			Other Middle School

0 0.25 0.5 1 Miles

Figure V-4
Public High Schools
San Francisco Eastern Neighborhoods



 Eastern Neighborhood Study Area Boundary	 High School within Study Area
 Western SOMA Additional Area	 Other High School

0 0.25 0.5 1 Miles

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2. Public Libraries

a. **Facilities**

Need factor: Library Department does not indicate need for new library branches.

The public library system consists of one Main Library and 27 branch libraries. The City's level of service exceeds State levels, and new construction is not the Branch Library Improvement Program's highest priority.¹⁷ According to San Francisco Public Library service area maps, the Eastern Neighborhoods are currently served by the Main Library, Mission Branch, Potrero Branch, and Mission Bay Branch (see Figure V-5).¹⁸ The Library Department does not indicate that a new library would be needed in the Eastern Neighborhoods but does indicate that improvements are needed at the Potrero Branch.

The Potrero Branch is the only library serving the Eastern Neighborhoods in need of renovation, and it is slated for renovation in 2008, with partial funding from the Proposition A bond measure. The Mission Branch library was one of the five branches seismically renovated and made code compliant during the 1990s, the Main Library was completed in 1996, and the Mission Bay Branch is the City's first new branch in 40 years.

b. **Materials and Renovation**

Need Factor: \$74/new resident for materials

While the Library Department does not indicate a need for future branch libraries, an increase in residential population could add to the need for library materials and improvements. The Rincon Hill impact fee formula of \$69/new resident is consistent with the service standards used by the San Francisco Public Library for allocating resources to neighborhood branch libraries.¹⁹ Seifel escalated the fee to reflect inflation from 2005, when the fee was initially determined, to 2007 resulting at a current dollar amount of \$74/new resident.²⁰ This fee is intended to offset the need for additional materials, branch renovation and rehabilitation caused by increased use in all library branches.

¹⁷ California Library Statistics 2007 (FY 2005-06) by the California State Library Foundation indicate that per capita library expenditures in San Francisco are nearly two and a half times the State average. The Branch Improvement Program was initiated under Proposition A in 2000.

¹⁸ Branch Facilities Plan, San Francisco Public Library, 2006.

¹⁹ Rincon Hill Area Plan, City 2005 General Plan.

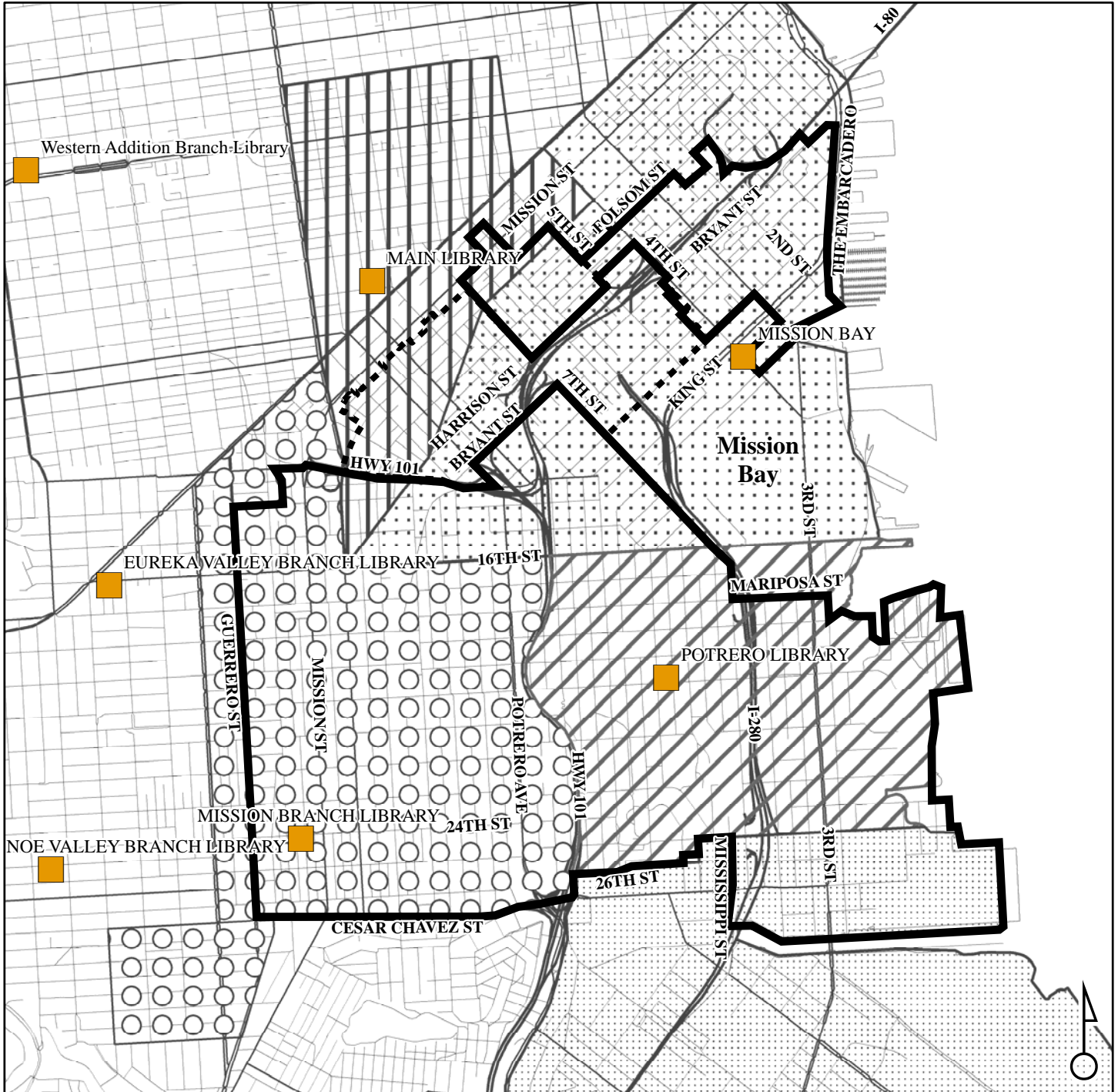
²⁰ Seifel escalated the 2005 materials cost to 2007 dollars using the Consumer Price Index for the San Francisco/Oakland/San Jose area.

**Table V-3
Current and Future Needs
Public Libraries Facilities and Materials
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 libraries	Based on Geography	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	14,477 residents	\$ 1,066,342 total fees	\$ 74 fee/resident

Source: San Francisco Planning Department, San Francisco Library Department, Seifel Consulting Inc.

Figure V-5
Public Libraries
San Francisco Eastern Neighborhoods



Eastern Neighborhoods Study Area Boundary	Library Service Area
Western SOMA Additional Area	Bayview Branch
Public Library	Main Library
	Mission Branch
	Mission Bay Branch
	Potrero Branch

0 0.25 0.5 1 Miles

3. Police

a. Facilities

Need factor: Police Department does not indicate need

San Francisco, like most U.S. cities, does not have a standard for provision of police stations. The San Francisco Police Department (SFPD) indicated that no additional police stations would be needed in the Eastern Neighborhoods as a result of projected population growth. The SFPD identifies three stations that currently serve the Eastern Neighborhoods—Bayview, Mission and Southern (to be replaced by Mission Bay) police stations (see Figure V-6).

b. Equipment and Officers

Need factor: 0.77 squad cars/1,000 residents

Seifel was unable to obtain information on the adequacy of current equipment or current equipment needs. Seifel evaluated the future need for equipment, specifically squad cars, according to SFPD standards. This analysis projects a future need for 11 new squad cars, which currently cost the SFPD approximately \$30,000 each.²¹ The SFPD indicates that the new Mission Bay station, which is replacing Southern station, will accommodate new officers to serve Mission Bay and the surrounding area. A precise estimate of how many new officers are needed only in Eastern Neighborhoods was not available given the department's system wide approach.

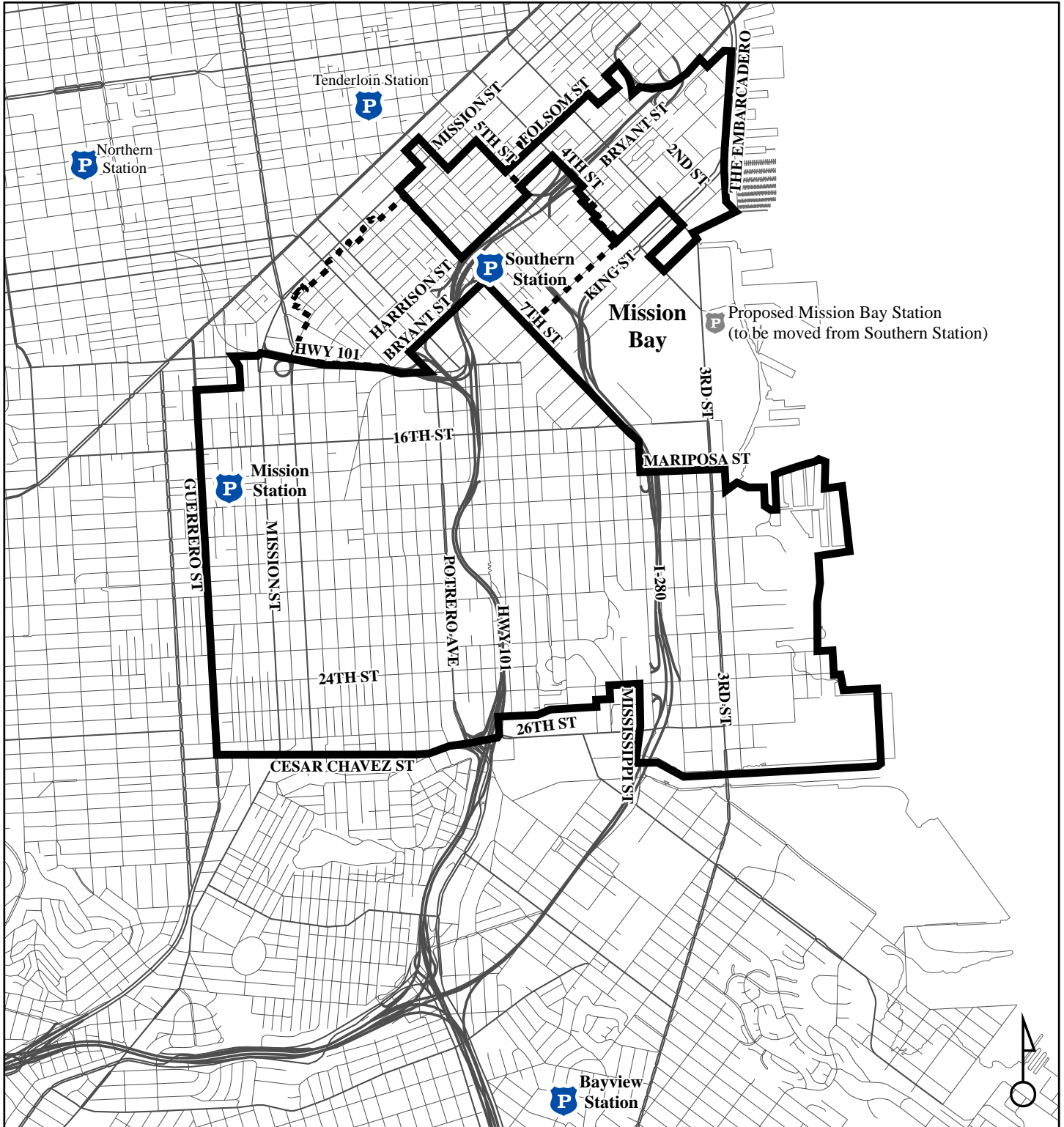
Table V-4
Current and Future Needs
Police Facilities and Equipment
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 stations	Based on Geography	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	N/A	14,477 residents	11.2 squad cars	11 squad cars

Source: San Francisco Planning Department, SFPD, Seifel Consulting Inc.

²¹ Based on interviews with the SFPD, May 2006.

Figure V-6
Police Stations
San Francisco Eastern Neighborhoods



 Eastern Neighborhoods Study Area Boundary  Police Station

 Western SOMA Additional Area

0 0.3 0.6 1.2
Miles

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4. Fire

General Plan factor: 1/2 mile service area; Fire Department factor: Based on response time

According to the Community Facilities Element of the City's General Plan, "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." As shown in Figure V-7, the San Francisco Fire Department (SFFD) currently has 10 fire stations that serve the study area and an additional station planned in Mission Bay. While the Central Waterfront and the Mission are not entirely within a 1/2-mile service area, this does not necessarily indicate inadequate levels of service. The SFFD bases service standards on response time. The department's 300-second response time goal is currently being met in the study area.²² In addition, the SFFD does not anticipate a need for future stations to serve the Eastern Neighborhoods based on adequate response time. However, while a need does not exist at the neighborhood level, the SFFD has indicated a need may exist citywide when the comprehensive citywide system is considered. Similarly, the department does not indicate a need for new officers or firefighters in the Eastern Neighborhoods, but a need may exist when the citywide system is considered.

**Table V-5
Current and Future Needs
Fire
San Francisco Eastern Neighborhoods**

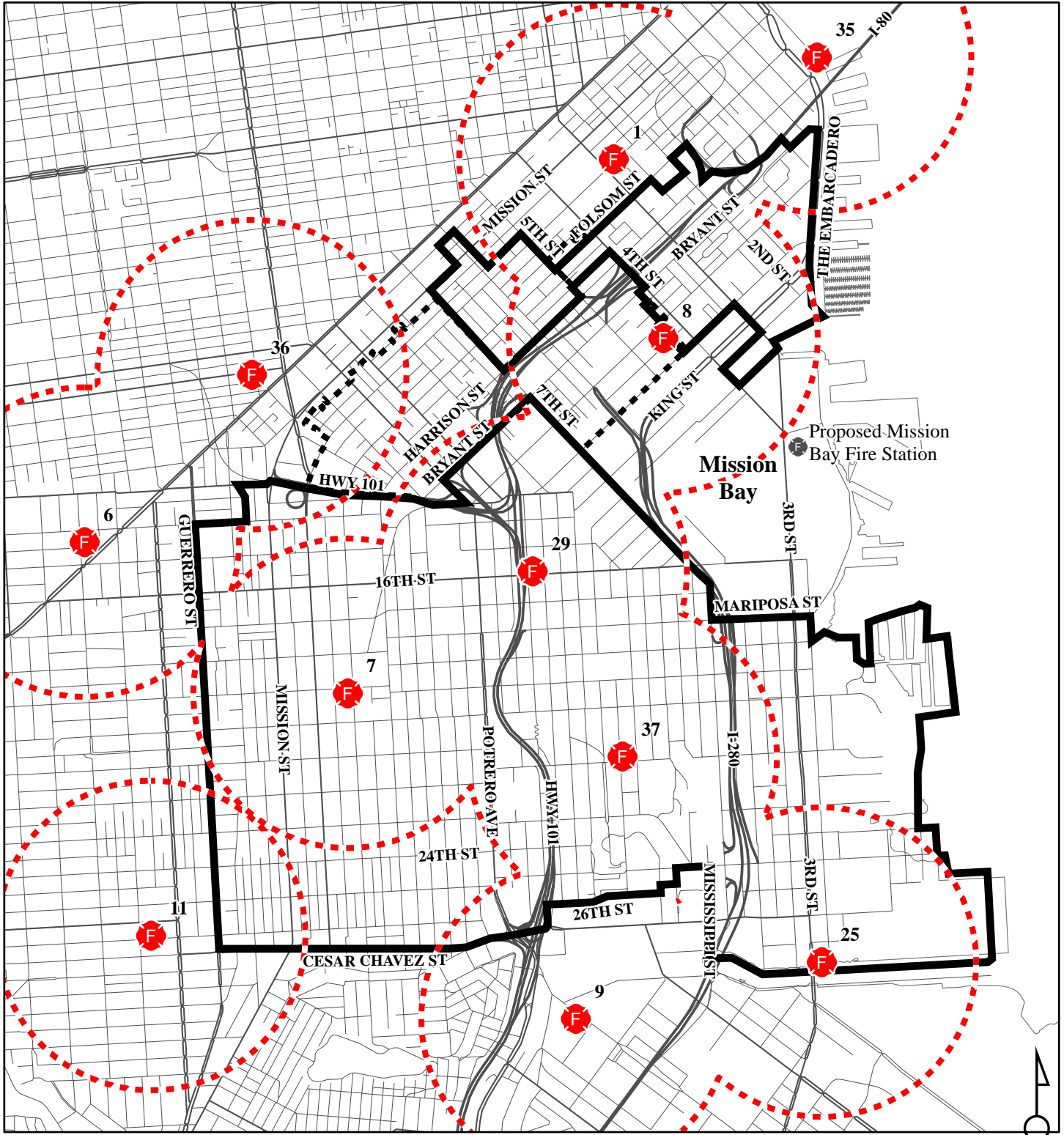
Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Fire ^a	1/2 mile service area	0 stations	Based on response time	0 stations	0 stations





a. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

Source: San Francisco Planning Department, SFFD, Seifel Consulting Inc.

²² Per a 2005 questionnaire of the SFFD by ESA.

Figure V-7
Fire Stations
San Francisco Eastern Neighborhoods



	Eastern Neighborhoods Study Area Boundary		Fire Station
	Western SOMA Additional Area		1/2 Mile Radius*

0 0.125 0.25 0.5 0.75 1 Miles

*The SFFD uses response times rather than distances for planning purposes. The half-mile distance from stations is a guideline rather than a planning standard.



5. Health Care

Need factor: 0.057 centers/1,000 residents

Currently, the City has 24 public health clinics, four of which are located in the Eastern Neighborhoods.²³ The Department of Public Health (DPH) recommends a one-mile access to health care centers, and all of the Eastern Neighborhoods are within a one-mile radius of a public health center except for the eastern most edges of the Eastern SOMA and Central Waterfront neighborhoods (Figure V-8).²⁴

On a per capita basis, the Eastern Neighborhoods have more facilities than exist citywide, which is appropriate as public health centers primarily serve low-income residents and the Eastern Neighborhoods house a disproportionate share of the City's low-income residents. Seifel assumed that income distribution will remain relatively constant and that the current neighborhood service level of 0.057 centers per 1,000 residents would therefore be necessary to serve future residents. Given projected population growth in the Eastern Neighborhoods, additional facilities or expansion of existing facilities equivalent to 0.65 centers are needed.

6. Human Service Centers

Need factor: 0.043 centers/1,000 residents

Staff of the City's Human Service Agency acknowledge the difficulty in establishing a definition of human service centers. For the purposes of this report, the human service facilities include City funded "one-stop" centers that include employment and workforce development services, services for senior and adults with disability, and/or youth and family services.²⁵

Currently, the City has 45 human service centers, three of which are located in the Eastern Neighborhoods (Figure V-8). With projected population growth in the Eastern Neighborhoods, additional facilities or expansion of existing facilities equivalent to a 16 percent increase in capacity is needed to maintain the neighborhood level of service of 0.043 centers per 1,000 residents.²⁶ The Human Service Agency indicates a need for consolidation of existing service providers rather than construction of more facilities.

²³ Information about public health clinics located on the DPH website, <http://www.dph.sf.ca.us/chn/healthcenters.htm>.

²⁴ While the Central Waterfront does not currently have any public health centers, the current and future populations could be served by the Potrero Hill Health Center.

²⁵ Recreation centers for youth and seniors are analyzed in the Open Space and Parks - Facilities section. This analysis does not include cultural centers.

²⁶ While the Central Waterfront does not currently have any human service centers, the current and future populations could be served by the Potrero Hill Family Resource Center.

7. Cultural Facilities

Need factor: 0.014 centers/1,000 residents

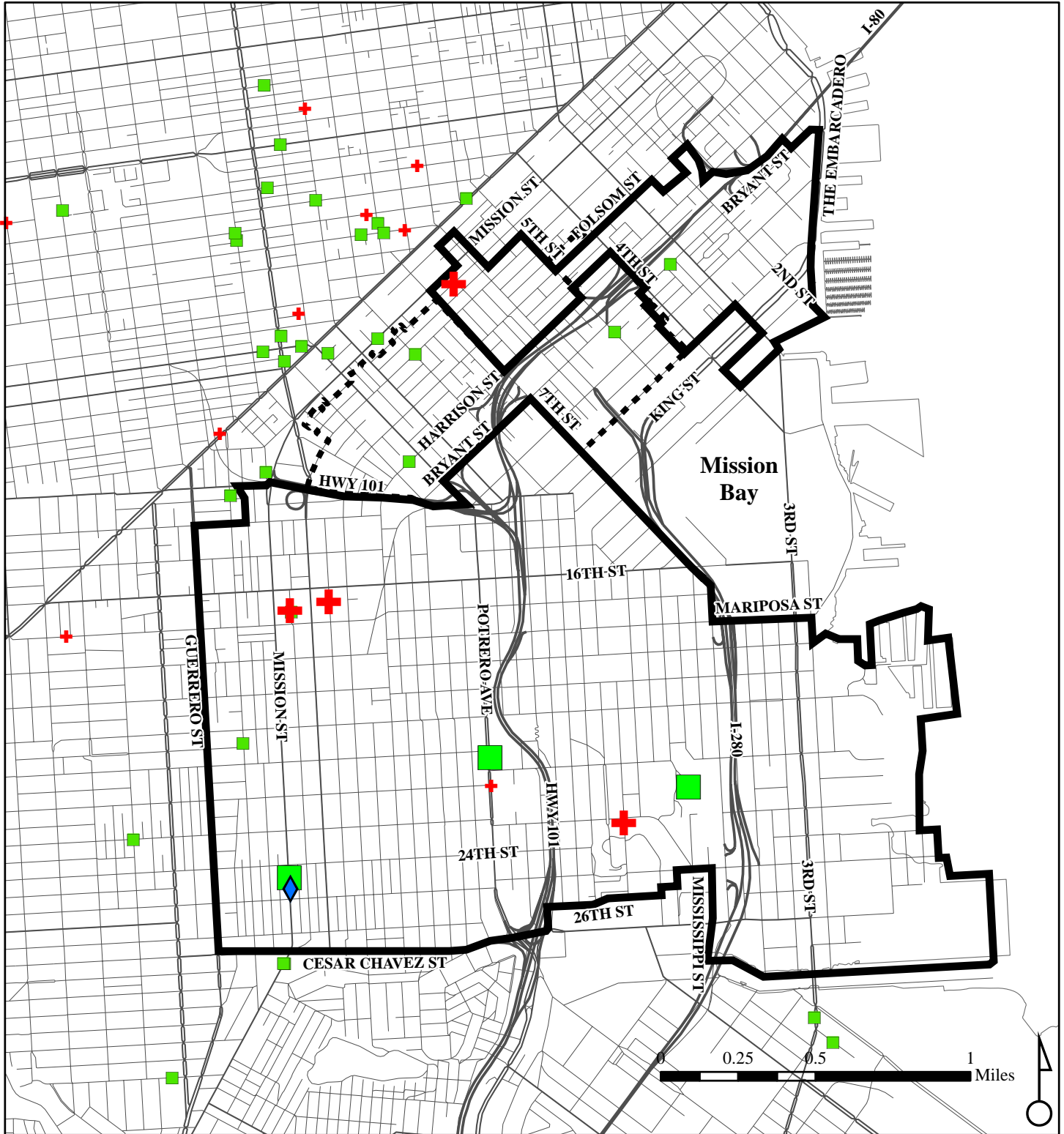
The City's Arts Commission currently maintains four city-owned cultural centers throughout the City, one of which is in the Eastern Neighborhoods (Figure V-8). The Mission Cultural Center operates at full capacity serving the current population. With projected population growth in the Eastern Neighborhoods, additional facilities or expansion of the Mission Cultural Center equivalent to a 16 percent increase in capacity is needed to maintain the level of facilities at the neighborhood level of service of 0.014 centers per 1,000 residents.

Table V-6
Current and Future Needs
Health Care, Human Services, and Cultural Center Facilities
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Health Care	0.057 centers/1,000 residents	0.0 centers	14,477 residents	0.82 centers	0.65 centers
Human Service Agencies	0.043 centers/1,000 residents	(0.1) centers	14,477 residents	0.62 centers	0.49 centers
Cultural Centers	0.014 centers/1,000 residents	(0.0) centers	14,477 residents	0.21 centers	0.16 centers

Source: San Francisco Planning Department, DPH, HSA, SF Arts Commission, and Seifel Consulting Inc.

Figure V-8
 Neighborhood Community Facilities
 San Francisco Eastern Neighborhoods



	Health Centers in Needs Assessment		Human Service Centers in Needs Assessment
	Health Centers not in Needs Assessment		Human Service Centers not in Needs Assessment
	Mission Cultural Center		Eastern Neighborhoods Study Area Boundary



8. Child Care

Need factor: 52.7 spaces/1,000 residents, 22.4 spaces/1,000 workers

In order to assess current and future need, Seifel followed a methodology that accounts for the current and future needs of both residents and workers formulated in conjunction with the Planning Department, the Department of Children, Youth and Their Families (DCYF), and Brion Associates.²⁷

Resident need was calculated based on household population and share of that population that is an infant (0 to 24 months), pre-school age (2 to 5 years old) or school age (6 to 13 years old). The estimate of total children was then adjusted to account for children with working parents, children needing licensed child care, and those who were likely to seek that care from child care centers (as opposed to family care establishments).

Estimated need by workers was calculated based on jobs within each neighborhood. So as not to overstate demand by counting workers who are also residents, Seifel estimated the number of jobs held by workers living outside of the area (non-resident workers). Child care required by non-resident workers was then calculated based on the share of those workers who would require child care and the type of child care they would need.²⁸

Existing child care supply was determined by neighborhood using the San Francisco Child Care Information Management System.²⁹ The analysis determined an existing need of 3,472 licensed child care spaces in the Eastern Neighborhoods. New development is anticipated to increase that need by 975 spaces, for a total future need of 4,447 spaces, as illustrated in table V-7. For need by neighborhood and/or age group, see Appendix A.

²⁷ Brion & Associates is the firm currently consulting on child care for the Citywide Development Impact Fee Study.

²⁸ Sources and assumptions for child care analysis: **Population/Jobs**—US Census 2000 and Planning Department ‘Option B’ Projections for 2025. **Children as % of Population**—Based on estimated number of children by age categories for San Francisco from CA Department of Finance P-3 Report as analyzed by Brion & Associates, 2006. **Children with Working Parents**—Labor force participation rates for parents in families with two working parents or a single working parent from the 2000 Census. Rates vary by age, under 6 years and over 6 years. **Children Needing Licensed Care**—Many children with working parents are cared for by family members, nannies, friends, and unlicensed care. This analysis assumes that approximately 37% of infants, 100% of pre-school age children, and 66% of school age children need licensed child care. Assumptions are based on a detailed review of other child care studies performed by Brion & Associates and DCYF direction. **Non-Resident Workers**—Share of San Francisco jobs held by workers living outside of the City was used as a proxy for share of jobs held by workers living outside of the Eastern Neighborhoods. **Workers need for Child Care**—Assumes 5% of non-resident employees need child care and one space per employee. Also assumes that 25% of those spaces will be for infants and 75% for pre-school children. School age children are assumed to have care near their place of residence. These assumptions were made by Brion & Associates under DCYF direction.

²⁹ San Francisco Child Care Information Management System (www.sfccmap.com), a project of the Low Income Investment Fund and San Francisco State University’s Institute for Geographic Information Science, with collaboration from the City and County of San Francisco (September 2006). Seifel analyzed spaces in each neighborhood using a GIS file containing licensed child care centers from the SFCCIMS provided via the SF Department of Children, Youth and Their Families (DCYF).

**Table V-7
Current and Future Needs
Child Care Spaces
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Child Care ^a	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	3,472 spaces	975 spaces	4,447 spaces	4,447 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	518 spaces	101 spaces	619 spaces	619 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	1,661 spaces	438 spaces	2,099 spaces	2,099 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	1,293 spaces	436 spaces	1,729 spaces	1,729 spaces

a. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System . Source: San Francisco Planning Department, Brion & Associates, Seifel Consulting Inc.

C. Neighborhood Serving Businesses

No standard need factors

While neighborhoods need businesses that provide retail and personal services to residents, no citywide standards for their provision currently exist. In addition, while community residents have indicated a need for additional neighborhood serving businesses in the Eastern Neighborhoods, the Planning Department does not have information on the current number and square footage of neighborhood serving businesses in the Eastern Neighborhoods.

Seifel estimated the Eastern Neighborhoods' future retail needs by modeling the spending habits of households earning the Eastern Neighborhoods' median income with data from the Bureau of Labor Statistic's 2003 Consumer Expenditure Survey.³⁰ See Table IV-2 for types of businesses included in the analysis. Supportable square feet for each retail type was calculated using the Urban Land Institute's 2004 Dollars and Cents of Shopping Centers estimates.³¹ Overall, the analysis indicates that future Eastern Neighborhoods residents will likely demand an additional 169,000 square feet of neighborhood serving retail.

Table V-8
Current and Future Needs
Neighborhood Serving Businesses
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	7,385 housing units	9,748 SF	9,748 SF
Supermarkets	8.1 SF/housing units		7,385 housing units	60,040 SF	60,040 SF
Full Service Restaurants	5.8 SF/housing units		7,385 housing units	42,611 SF	42,611 SF
Limited Service Restaurants	4.0 SF/housing units		7,385 housing units	29,466 SF	29,466 SF
Personal Service	2.5 SF/housing units		7,385 housing units	18,093 SF	18,093 SF
Other Neighborhood Serving Retail	1.3 SF/housing units		7,385 housing units	9,231 SF	9,231 SF
TOTAL	22.9 SF/housing units		7,385 housing units	169,190 SF	169,190 SF

Source: San Francisco Planning Department, Bureau of Labor Statistics, ULI's 2004 Dollars and Cents of Shopping Centers, and Seifel Consulting Inc.

³⁰ While the median household income varies within the Eastern Neighborhoods, Seifel assumes the projected increase in population will have a substantial impact on neighborhood demographics. We assume that the median household income for the entire Eastern Neighborhoods combined is a more stable figure upon which to base future income projections. The median household income for the Eastern Neighborhoods, reported by Hausrath Economics Group on August 17, 2006, escalated to 2003 dollars, is \$54,282. The Bureau of Labor Statistic's Consumer Expenditure Survey, 2003 provides estimates of annual household spending by product type for household income ranging from \$50,000 to \$75,000. Seifel's Retail Model converts dollars spent by product type to dollars spent annually by retail store type using US Census Bureau Product Line data.

³¹ Seifel escalated the Department of Labor Statistic's Consumer Expenditure Survey results to 2004 dollars. Dollars and Cents estimates are the median sales volume per square foot of gross leasable space for Neighborhood Shopping Centers in the Western Region. According to the Urban Land Institute definition in *2004 Dollars and Cents of Shopping Centers*, Neighborhood Shopping Centers provide for the sale of convenience goods and personal services. Typically they are built around a supermarket as the principal tenant and contain a gross leasable area of approximately 60,000 square feet.

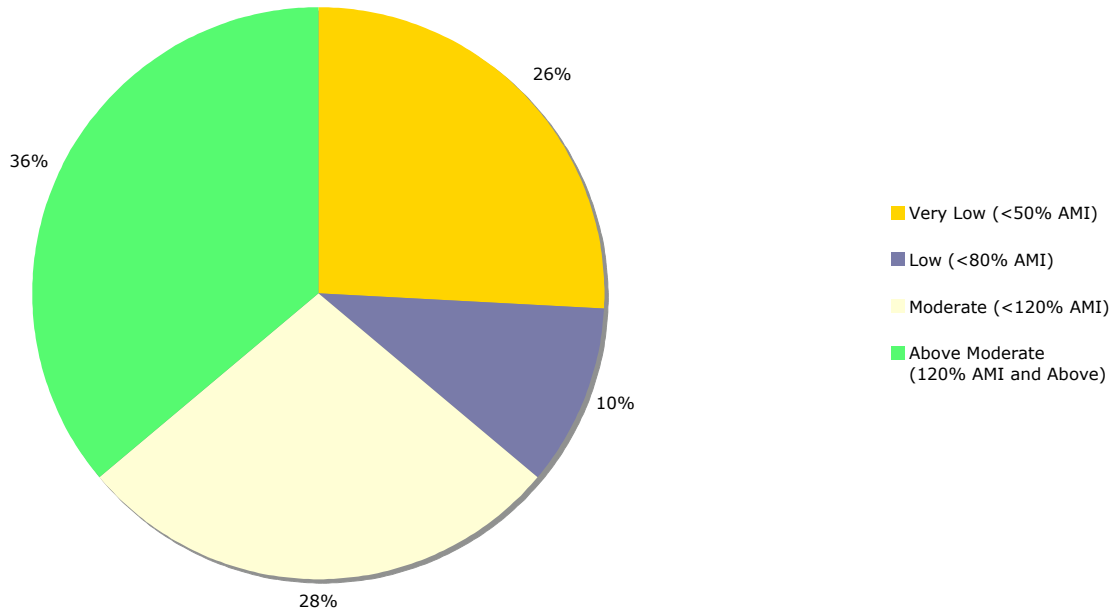
D. Housing

1. Affordable Housing Needs

Need factor: 26%, 10% and 28% of new production is affordable to very low, low and moderate income households

ABAG estimates that 64 percent of new housing production in San Francisco will need to be affordable to very low, low and moderate income households, as indicated in the Hausrath Socioeconomic Impact Analysis. Within the Eastern Neighborhoods, this translates to 1,901 units affordable to very low-income households, 771 to low-income households and 2,044 to moderate-income households, for a total of 4,716 of the 7,385 units anticipated.

**Figure V-9
Current and Future Needs
Affordable Housing
San Francisco Eastern Neighborhoods**



E. Transportation and Transit

No standard need factors

Due to the complexity of planning for transportation and transit needs, the calculation of future transportation needs is not feasible in a manner comparable to the analyses undertaken in this assessment. However, the Eastern Neighborhoods planning process has determined that the transit and transportation infrastructure that exists in these neighborhoods is already insufficient, and it is estimated that the population growth and development will increase need.

It is clear that land use change and new residential development in the Eastern Neighborhoods will require improvements to the existing transportation infrastructure. Industrial areas, historically focused on the movement of vehicles and trucks, are evolving to accommodate pedestrians, bicyclists and public transit. New traffic signals, transit service, and bicycle and pedestrian facilities are required to meet the transportation needs of new residents, visitors and employees in the Eastern Neighborhoods. While some needs have been identified at a broad level through the Eastern Neighborhoods planning process, and some improvements are being identified through planning efforts such as the San Francisco Municipal Transportation Agency's (SFMTA) Transit Effectiveness Project (TEP), further study is needed to identify the specific projects that will make up a comprehensive multi-modal transportation improvement program. In 2008, the SFMTA, San Francisco County Transportation Authority (SFCTA), and the Planning Department will commence the Eastern Neighborhoods Transportation Implementation Study to identify needed improvements.

VI. Conclusion

Based on current levels of service and projected growth in the Eastern Neighborhoods as estimated based on Zoning Option B Revised, future needs are projected for district/neighborhood/subneighborhood open space and maintenance, recreational facilities and maintenance, child care, police squad cars, elementary and middle school facilities, health care facilities, human service facilities, cultural center expansion, library funding, neighborhood serving retail, affordable housing, and transportation and transit.

**Table A-1
Current and Future Need (2025 - Option B Revised)
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Condition*	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^b	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	14,477 residents	65.1 acres	(1,301) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood (Operating Costs)	1.0 acres/1,000 residents	50.4 acres	Based on Geography	See Figure V-1	14,477 residents	14.5 acres	N/A	14.5 acres
Recreational Facilities	7.85 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			14.5 acres	\$ 89,322 annual labor cost	N/A	\$ 89,322 annual labor cost
Recreation Facilities (Operating Costs)	21.58 SF/resident	1,054,916 SF	67,204 residents	395,346 SF	14,477 residents	312,414 SF	707,760 SF	707,760 SF
Education (Schools) ^f	0.254 \$/SF	N/A	N/A	N/A	312,414 SF	\$ 79,325 annual labor cost	N/A	\$ 79,325 annual labor cost
High School (9-12)	0.317 students/housing unit	7,275 student capacity	N/A	(3,167) student capacity	7,385 housing units	2,341 students	(826) students	N/A
Middle School (6-8)	0.102 students/housing unit	2,050 student capacity	N/A	(982) student capacity	7,385 housing units	753 students	(229) students	N/A
Elementary School (K-5)	0.069 students/housing unit	1,025 student capacity	N/A	(443) student capacity	7,385 housing units	510 students	67 students	N/A
High School (9-12)	0.146 students/housing unit	4,200 student capacity	N/A	(1,742) student capacity	7,385 housing units	1,078 students	(664) students	N/A
Middle School (6-8)	1.611 students/school	3 schools	N/A	(0.61) schools	753 students	0.47 schools	(0.14) schools	0 schools
Elementary School (K-5)	1.389 students/school	2 schools	N/A	(0.32) schools	510 students	0.37 schools	0.05 schools	* schools
Public Libraries (Facilities)	656 students/school	8 schools	N/A	(2.66) schools	1,078 students	1.64 schools	(1.01) schools	0 schools
Public Libraries (Materials)	No standard need factor; no additional facilities anticipated to be needed	5 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Police (Facilities)	\$ 74 fee/resident	N/A	67,204 residents	N/A	14,477 residents	\$ 1,066,342 total fees	N/A	\$ 74 fee/resident
Police (Equipment)	No standard need factor; no additional facilities anticipated to be needed	3 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Fire ^g	0.77 squad cars/1,000 residents	Data unavailable	67,204 residents	N/A	14,477 residents	11.2 squad cars	N/A	11 squad cars
Health Care	1/2 mile service area	11 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Human Service Agencies	0.057 centers/1,000 residents	4 centers	67,204 residents	0.0 centers	14,477 residents	0.82 centers	0.65 centers	0.65 centers
Cultural Facilities	0.043 centers/1,000 residents	3 centers	67,204 residents	(0.1) centers	14,477 residents	0.62 centers	0.49 centers	0.49 centers
Child Care ^e	0.014 centers/1,000 residents	1 center	67,204 residents	(0.0) centers	14,477 residents	0.21 centers	0.16 centers	0.16 centers
Infants (0 to 24 months)	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	1,785 spaces	5,257 spaces	3,472 spaces	975 spaces	4,447 spaces	N/A	4,447 spaces
Pre-School (2 to 5 years)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	218 spaces	736 spaces	518 spaces	101 spaces	619 spaces	N/A	619 spaces
School Aged (6 to 13 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	1,147 spaces	2,808 spaces	1,661 spaces	438 spaces	2,099 spaces	N/A	2,099 spaces
Drug Stores	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	420 spaces	1,713 spaces	1,293 spaces	436 spaces	1,729 spaces	N/A	1,729 spaces
Supermarkets	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	9,748 SF	N/A	9,748 SF
Full Service Restaurants	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	60,040 SF	N/A	60,040 SF
Limited Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	42,611 SF	N/A	42,611 SF
Personal Service	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	29,466 SF	N/A	29,466 SF
Other Neighborhood Serving Retail	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	18,093 SF	N/A	18,093 SF
Affordable housing needs	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	9,231 SF	N/A	9,231 SF
	0.64 affordable units/total units	N/A	25,464 total units	N/A	7,385 total units	4,716 affordable units	N/A	4,716 affordable units

a. Existing conditions for libraries, police stations and fire stations are counted within the subareas by service area. Some facilities serve more than one subarea, however, they are not counted multiple times in this total.

b. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

c. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

e. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Bron & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

**Table A-2
Current and Future Need (2025 - Option B Revised)
Mission Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,301 residents	19.4 acres	(1,346) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	17.0 acres	Based on Geography	See Figure V-1	4,301 residents	4.3 acres	N/A	4.3 acres
Open Space & Parks (Operating Costs)	61.70 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			4.3 acres	\$ 26,537 annual labor cost	N/A	\$ 26,537 annual labor cost
Recreational Facilities	21.58 SF/resident	385,683 SF	41,788 residents	516,102 SF	4,301 residents	92,816 SF	608,918 SF	608,918 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	92,816 SF	\$ 23,567 annual labor cost	N/A	\$ 23,567 annual labor cost
Education (Schools) ^b	0.317 students/housing unit	4,025 student capacity	N/A	(1,611) student capacity	1,118 housing units	354 students	(1,257) students	N/A
High School (9-12)	0.102 students/housing unit	1,225 student capacity	N/A	(482) student capacity	1,118 housing units	114 students	(368) students	N/A
Middle School (6-8)	0.069 students/housing unit	825 student capacity	N/A	(392) student capacity	1,118 housing units	77 students	(315) students	N/A
Elementary School (K-5)	0.146 students/housing unit	1,975 student capacity	N/A	(737) student capacity	1,118 housing units	163 students	(574) students	N/A
High School (9-12)	1.611 students/school	1 schools ^c	N/A	(0.30) schools	114 students	0.07 schools	(0.23) schools	0 schools
Middle School (6-8)	1.389 students/school	1 schools	N/A	(0.28) schools	77 students	0.06 schools	(0.23) schools	0 schools
Elementary School (K-5)	656 students/school	4 schools	N/A	(1.12) schools	163 students	0.25 schools	(0.87) schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	3 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	41,788 residents	N/A	4,301 residents	\$ 316,802 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	41,788 residents	N/A	4,301 residents	3.3 squad cars	N/A	3 squad cars
Fire ^d	1/2 mile service area	7 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	2 centers	41,788 residents	0.4 centers	4,301 residents	0.24 centers	0.6 centers	0.6 centers
Human Service Agencies	0.043 centers/1,000 residents	2 centers	41,788 residents	(0.2) centers	4,301 residents	0.18 centers	(0.0) centers	(0.0) centers
Cultural Centers	0.014 centers/1,000 residents	1 centers	41,788 residents	(0.4) centers	4,301 residents	0.06 centers	(0.3) centers	(0.3) centers
Child Care ^e	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	1,392 spaces	2,774 spaces	1,382 spaces	273 spaces	1,655 spaces	N/A	1,655 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	189 spaces	334 spaces	145 spaces	26 spaces	171 spaces	N/A	171 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	887 spaces	1,375 spaces	488 spaces	117 spaces	605 spaces	N/A	605 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	316 spaces	1,065 spaces	749 spaces	130 spaces	879 space	N/A	879 space
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	1,476 SF	N/A	1,476 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	9,089 SF	N/A	9,089 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	6,451 SF	N/A	6,451 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	4,461 SF	N/A	4,461 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	2,739 SF	N/A	2,739 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Based on evidence of lack of neighborhood serving businesses.		1,118 housing units	1,398 SF	N/A	1,398 SF
Affordable housing needs	0.64 affordable units/total units	N/A	13,309 total units	N/A	1,118 total units	714 affordable units	N/A	714 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on city-wide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The analysis does not include Downtown High School, as this facility is scheduled to relocate within the 2006/2007 school year.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

e. Current response times meet SFPD standards.

f. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Bron & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

Source: San Francisco Planning Department, Environmental Science Associates, Seif Consulting Inc.

**Table A-3
Current and Future Need (2025 - Option B Revised)
Showplace Square / Potrero Hill Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,049 residents	18.2 acres	(1,347) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	18.3 acres	Based on Geography	See Figure V-1	4,049 residents	4.0 acres	N/A	4.0 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			4.0 acres	\$ 24,982 annual labor cost	N/A	\$ 24,982 annual labor cost
Recreational Facilities	21.58 SF/resident	574,940 SF	13,501 residents	(283,589) SF	4,049 residents	87,377 SF	(196,211) SF	0 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	87,377 SF	\$ 22,186 annual labor cost	N/A	\$ 22,186 annual labor cost
Education (Schools)	0.317 students/housing unit	2,500 student capacity	N/A	(1,380) student capacity	2,635 housing units	835 students	(545) students	N/A
High School (9-12)	0.102 students/housing unit	825 student capacity	N/A	(500) student capacity	2,635 housing units	269 students	(231) students	N/A
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity	2,635 housing units	182 students	182 students	N/A
Elementary School (K-5)	0.146 students/housing unit	1,675 student capacity	N/A	(880) student capacity	2,635 housing units	385 students	(495) students	N/A
High School (9-12)	1.611 students/school	2 schools ^b	N/A	(0.31) schools	269 students	0.17 schools	(0.14) schools	0 schools
Middle School (6-8)	1.389 students/school	0 schools	N/A	0.00 schools	182 students	0.13 schools	0.13 schools	* schools
Elementary School (K-5)	656 students/school	3 schools	N/A	(1.34) schools	385 students	0.59 schools	(0.76) schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	13,501 residents	N/A	4,049 residents	\$ 298,240 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	3 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	13,501 residents	N/A	4,049 residents	3.1 squad cars	N/A	3 squad cars
Fire ^d	1/2 mile service area	6 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	1 centers	13,501 residents	(0.2) centers	4,049 residents	0.23 centers	(0.0) centers	(0.0) centers
Human Service Agencies	0.043 centers/1,000 residents	1 centers	13,501 residents	(0.4) centers	4,049 residents	0.17 centers	(0.3) centers	(0.3) centers
Cultural Centers	0.014 centers/1,000 residents	0 centers	13,501 residents	0.2 centers	4,049 residents	0.06 centers	0.2 centers	0.2 centers
Child Care ^e	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	281 spaces	1,194 spaces	913 spaces	299 spaces	1,211 spaces	N/A	1,211 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 3.6 spaces/1,000 workers	25 spaces	182 spaces	157 spaces	35 spaces	192 spaces	N/A	192 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	156 spaces	667 spaces	511 spaces	142 spaces	653 spaces	N/A	653 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	100 spaces	344 spaces	244 spaces	122 spaces	366 spaces	N/A	366 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	3,478 SF	N/A	3,478 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	21,423 SF	N/A	21,423 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	15,204 SF	N/A	15,204 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	10,514 SF	N/A	10,514 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	6,456 SF	N/A	6,456 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	3,294 SF	N/A	3,294 SF
Affordable housing needs	0.64 affordable units/total units	N/A	5,539 total units	N/A	2,635 total units	1,683 affordable units	N/A	1,683 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on city-wide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF). San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. Includes Downtown High School, although as it is an alternative format school, capacity and current enrollment are not included in calculations of existing surplus/deficit.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

e. Current response times meet SFPD standards.

f. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Scitel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Scitel Consulting Inc.

**Table A-4
Current and Future Need (2025 - Option B Revised)
Eastern SOMA Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,199 residents	18.9 acres	(1,347) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	12.3 acres	Based on Geography	See Figure V-1	4,199 residents	4.2 acres	N/A	4.2 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 80% but cannot cost out deficiencies			4.2 acres	\$ 25,908 annual labor cost	N/A	\$ 25,908 annual labor cost
Recreation Facilities (Operating Costs)	21.58 SF/resident	94,293 SF	10,211 residents	126,060 SF	4,199 residents	90,614 SF	216,675 SF	216,675 SF
Education (Schools) ^b	0.254 \$/SF	N/A	N/A	N/A	90,614 SF	\$ 23,008 annual labor cost	N/A	\$ 23,008 annual labor cost
High School (9-12)	0.317 students/housing unit	750 student capacity	N/A	(176) student capacity	2,508 housing units	795 students	619 students	N/A
Middle School (6-8)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity	2,508 housing units	256 students	256 students	N/A
Elementary School (K-5)	0.069 students/housing unit	200 student capacity	N/A	(51) student capacity	2,508 housing units	173 students	122 students	N/A
High School (9-12)	0.146 students/housing unit	550 student capacity	N/A	(125) student capacity	2,508 housing units	366 students	241 students	N/A
Middle School (6-8)	1.611 students/school	0 schools	N/A	0.00 schools	256 students	0.16 schools	0.16 schools	0 schools
Elementary School (K-5)	1.389 students/school	1 schools	N/A	(0.04) schools	173 students	0.12 schools	0.09 schools	* schools
Public Libraries (Facilities)	656 students/school	1 schools	N/A	(0.19) schools	366 students	0.56 schools	0.37 schools	0 schools
Public Libraries (Materials)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Police (Facilities)	\$ 74 fee/resident	N/A	10,211 residents	N/A	4,199 residents	\$ 309,288 total fees	N/A	\$ 74 fee/resident
Police (Equipment)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Fire ^c	0.77 squad cars/1,000 residents	Data unavailable	10,211 residents	N/A	4,199 residents	3.2 squad cars	N/A	3 squad cars
Health Care	1/2 mile service area	3 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Human Service Agencies	0.057 centers/1,000 residents	1 centers	10,211 residents	(0.4) centers	4,199 residents	0.24 centers	(0.2) centers	(0.2) centers
Cultural Centers	0.043 centers/1,000 residents	0 centers	10,211 residents	0.4 centers	4,199 residents	0.18 centers	0.6 centers	0.6 centers
Child Care ^d	0.014 centers/1,000 residents	0 centers	10,211 residents	0.1 centers	4,199 residents	0.06 centers	0.2 centers	0.2 centers
Infants (0 to 24 months)	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	112 spaces	945 spaces	833 spaces	292 spaces	1,125 spaces	N/A	1,125 spaces
Pre-School (2 to 5 years)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	4 spaces	149 spaces	145 spaces	32 spaces	176 spaces	N/A	176 spaces
School Aged (6 to 13 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	104 spaces	537 spaces	433 spaces	134 spaces	567 spaces	N/A	567 spaces
Drug Stores	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	4 spaces	260 spaces	256 spaces	126 spaces	383 spaces	N/A	383 spaces
Supermarkets	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	3,311 SF	N/A	3,311 SF
Full Service Restaurants	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	20,390 SF	N/A	20,390 SF
Limited Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	14,471 SF	N/A	14,471 SF
Personal Service	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	10,007 SF	N/A	10,007 SF
Other Neighborhood Serving Retail	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	6,145 SF	N/A	6,145 SF
Affordable housing needs	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	3,135 SF	N/A	3,135 SF
Affordable housing needs	0.64 affordable units/total units	N/A	5,818 total units	N/A	2,508 total units	1,602 affordable units	N/A	1,602 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.
b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.
c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.
d. Current response times meet SFPD standards.

e. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.
*SFUSD recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.
Source: San Francisco Planning Department, Environmental Science Associates, Serif Consulting Inc.

**Table A-5
Current and Future Need (2025 - Option B Revised)
Central Waterfront Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	1,928 residents	8.7 acres	(1,357) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	2.8 acres	Based on Geography	See Figure V-1	1,928 residents	1.9 acres	N/A	1.9 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 88% but cannot cost out deficiencies			1.9 acres	\$ 11,896 annual labor cost	N/A	\$ 11,896 annual labor cost
Recreational Facilities	21.58 SF/resident	0 SF	1,704 residents	36,772 SF	1,928 residents	41,606 SF	78,379 SF	78,379 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	41,606 SF	\$ 10,564 annual labor cost	N/A	\$ 10,564 annual labor cost
Education (Schools) ^b	0.317 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	356 students	356 students	N/A
High School (9-12)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	115 students	115 students	N/A
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	78 students	78 students	N/A
Elementary School (K-5)	0.146 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	164 students	164 students	N/A
High School (9-12)	1.611 students/school	0 schools	N/A	0 schools	115 students	0.07 schools	0.07 schools	0 schools
Middle School (6-8)	1.389 students/school	0 schools	N/A	0 schools	78 students	0.06 schools	0.06 schools	* schools
Elementary School (K-5)	656 students/school	0 schools	N/A	0 schools	164 students	0.25 schools	0.25 schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	1,704 residents	N/A	1,928 residents	\$ 142,012 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	1,704 residents	N/A	1,928 residents	1.5 squad cars	N/A	2 squad cars
Fire ^c	1/2 mile service area	2 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	0 centers	1,704 residents	0.1 centers	1,928 residents	0.11 centers	0.2 centers	0.2 centers
Human Service Agencies	0.043 centers/1,000 residents	0 centers	1,704 residents	0.1 centers	1,928 residents	0.08 centers	0.2 centers	0.2 centers
Cultural Centers	0.014 centers/1,000 residents	0 centers	1,704 residents	0.0 centers	1,928 residents	0.03 centers	0.1 centers	0.1 centers
Child Care ^d	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	0 spaces	343 spaces	343 spaces	112 spaces	455 spaces	N/A	455 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	0 spaces	71 spaces	71 spaces	9 spaces	80 spaces	N/A	80 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	0 spaces	229 spaces	229 spaces	45 spaces	274 spaces	N/A	274 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	0 spaces	43 spaces	43 spaces	58 spaces	102 spaces	N/A	102 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	1,484 SF	N/A	1,484 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	9,138 SF	N/A	9,138 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	6,485 SF	N/A	6,485 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	4,485 SF	N/A	4,485 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	2,754 SF	N/A	2,754 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	Anecdotal evidence of lack of neighborhood serving businesses.		1,124 housing units	1,405 SF	N/A	1,405 SF
Affordable housing needs	0.64 affordable units/total units	N/A	798 total units	N/A	1,124 total units	718 affordable units	N/A	718 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

d. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Scitel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Scitel Consulting Inc.

Appendix B: Western SOMA

This appendix describes the existing conditions and current needs in the Western SOMA neighborhood.³² Figures in the main report display the boundaries of this neighborhood, labeled Western SOMA Additional Area. Seifel did not project future needs for this neighborhood because it is not included in the Planning Department's Eastern Neighborhoods rezoning study area.

Appendix Table B-1 summarizes the assessment of existing conditions and current needs presented in this appendix. All category definitions are identical to those in the main text.

A. Open Space, Parks and Recreational Facilities

- **Open Space and Parks – Citywide**—*Need factor: 4.5 acres/1,000 residents*
No citywide open space currently exists within Western SOMA. However, sufficient amounts of citywide open space are accessible to neighborhood residents. The current citywide open space provision is a ratio of approximately 6.3 acres per 1,000 residents.
- **Open Space and Parks – District, Neighborhood and Subneighborhood**—*Need factor: one acre/1,000 residents*
Western SOMA contains one subneighborhood park of 0.23 acres. Large portions of the neighborhood lack access to neighborhood and/or subneighborhood open space (Figure V-1).
- **Recreational Facilities**—*Citywide provision of 21.58 square feet/resident*
No recreational facilities currently exist within Western SOMA. Based on current population, the existing need for recreational facilities in Western SOMA is 95,000 square feet.

B. Community Facilities and Services

- **Education**—*Need factor: Based on desired number of students per school type in San Francisco*
No schools are currently located in the Western SOMA neighborhood. As such, Seifel was unable to calculate the existing surplus or deficit in the schools capacity. However, given that surplus capacity currently exists in the nearby Eastern Neighborhoods schools, education needs in Western SOMA are likely currently fulfilled.
- **Public Libraries – Facilities**—*Need factor: Library department does not indicate need for new library branches*
Two libraries serve Western SOMA: the Main Library and the Mission Bay Branch (Figure V-5). Library service is sufficient in the neighborhood.
- **Police – Facilities**—*Need factor: Police department does not indicate need*
The SFPD's Southern Station is located within the Western SOMA neighborhood boundary (Figure V-6). The new station in Mission Bay will serve Western SOMA residents once SFPD relocates Southern Station to Mission Bay.

³² Analysis completed in September 2006.

- **Police – Equipment**—*Need factor: 2.7 officers/1,000 residents; 2 squad cars/7 officers; 0.77 squad cars/1,000 residents*
Seifel was unable to obtain information on the adequacy of current equipment or current equipment needs.
- **Fire**—*General Plan factor: 1/2 mile service area; Fire Department factor: Based on response time*
The SFFD currently has 4 fire stations that serve Western SOMA and an additional station planned in Mission Bay. Based on the 1/2-mile service area standard, there is a coverage gap in the western half of the neighborhood, but this does not necessarily indicate inadequate levels of service. The SFFD bases service standards on response time, and the department's 300-second response time goal is reported by SFFD as being met in Western SOMA.
- **Health Care**—*Citywide provision: 0.03 centers/1,000 residents*
No public health clinics are located in Western SOMA. However, the entire neighborhood is within one mile of an existing health center (Figure V-8). Therefore, although the equivalent of 0.1 centers would be required to bring Western SOMA to Citywide standards, the neighborhood has no functional need for an additional center.
- **Human Service Agencies**—*Citywide provision: 0.06 centers/1,000 residents*
Three of the City's human service agencies are located in Western SOMA (Figure V-8). An additional seven agencies are located within one-quarter mile of the neighborhood's northern boundary. On a per capita basis, a surplus of human service agencies exists in Western SOMA.
- **Child Care**—*Need factor: 52.7 spaces/1,000 residents, 22.4 spaces/1,000 workers*
Using the methodology described in the memorandum, Western SOMA has an existing need for 434 licensed child care spaces.

C. Neighborhood Serving Businesses—*No standard need factors*

Anecdotal evidence suggests that neighborhood serving business are lacking in Western SOMA, but the Planning Department does not have information on the current number and square footage of neighborhood serving businesses in the area.

D. Housing

- **Affordable Housing Needs**—*Need factor: 64% of new production is affordable*
ABAG estimates that 64 percent of new housing production in San Francisco will need to be affordable to low and moderate income households, as indicated in the Hausrath Socioeconomic Impact Analysis. Based on historical affordable housing production in the City, Seifel estimates that the City of San Francisco will produce about 25 percent of new housing affordable to low and moderate income households. This estimate is based on projections of achievable affordable housing development from a combination of the City's inclusionary housing program and non-profit housing development.

**Appendix Table B-1
Current Need
Western SOMA Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	0.23 acres	Based on Geography	See Figure 2
Open Space & Parks (Operating Costs)	6170 \$/acre	Existing park not included in maintenance evaluation		
Recreational Facilities	21.58 SF/resident	0 SF	4,425 residents	95,492 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A
Education (Schools) ^b	0.317 students/housing unit	0 student capacity	N/A	0 student capacity
High School (9-12)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity
Elementary School (K-5)	0.146 students/housing unit	0 student capacity	N/A	0 student capacity
High School (9-12)	1,611 students/school	0 schools	N/A	0 schools
Middle School (6-8)	1,389 students/school	0 schools	N/A	0 schools
Elementary School (K-5)	656 students/school	0 schools	N/A	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 libraries	Based on Geography	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	4,425 residents	N/A
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	4,425 residents	N/A
Fire ^c	1/2 mile service area	4 stations	Based on response time	0 stations
Health Care	0.03 centers/1,000 residents	0 centers	4,425 residents	0.1 centers
Human Service Agencies	0.06 centers/1,000 residents	3 centers	4,425 residents	(2.7) centers
Child Care ^d	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	351 spaces	785 spaces	434 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	58 spaces	158 spaces	100 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	233 spaces	514 spaces	281 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	60 spaces	113 spaces	53 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Affordable housing needs	0.64 affordable units/total units	N/A	2,215 total units	N/A

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in Western SOMA.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

d. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates.

Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System .

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

Appendix B:
Transportation Costs

**Appendix Table B-1
Transit Capital Cost Detail
San Francisco**

Capital Program Category	Total Unfunded Costs^a
Equipment	\$601,606,215
Facilities	\$375,268,351
Fleet	\$991,943,640
Infrastructure	\$7,055,028,390
Replacement/Refurbishment ^b	\$351,750,402
Total	\$9,375,596,998

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

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

Source: Draft SFMTA FY 2008–2027 Short Range Transit Plan CIP, <http://www.sfmta.com/cms/rsrtp/srtpindx.htm>

Appendix Table B-2
Streets and Right of Way Capital Cost Detail
San Francisco

Program/Project	Total Unfunded Costs^a
Street Reconstruction	\$150,650,000
Street Structures	\$70,058,000
Street Trees	\$20,416,000
Irrigation Repairs and Upgrades	\$29,218,000
Great Streets Program	\$188,668,000
Total	\$459,010,000

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

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

**Appendix Table B-3
Trip Rate Detail by Land Use Category
San Francisco**

	Source of Trip Rates	Guidelines Designation	Daily Trips - 24 hr period/ Unit or KSF
Residential^a			8.5/unit
2+ Bedrooms	SF Guidelines, 2002	2+ Bedrooms	10.0/unit
1 bedroom/studio	SF Guidelines, 2002	1 bedroom/studio	7.5/unit
Senior Housing	SF Guidelines, 2002	Senior Housing	5.0/unit
Cultural/Institutional/Educational^b			48.04
Church or other religious institution	ITE	Church	9.11
Neighborhood Center	Project Study	Jewish Community Center	68.00
Child Care Centers	SF Guidelines, 2002	Daycare Center	67.00
Motel/Hotel	SF Guidelines, 2000	Hotel/Motel	21.80
Medical			28.60
Hospital, medical center	SF Guidelines, 2000	Service Institutional	28.60
Office			18.10
General	SF Guidelines, 2002	General Office	18.10
Medical/Psychiatric Center	SF Guidelines, 2000	C-3 Secondary Office	18.10
Retail^c			200.00
General Retail	SF Guidelines, 2002	General Retail	150.00
Supermarket	SF Guidelines, 2002	Supermarket	297.00
Athletic Clubs	SF Guidelines, 2002	Athletic Clubs	57.00
Eating/Drinking			
Quality Sit-Down	SF Guidelines, 2002	Quality Sit-Down	200.00
Composite Rate	SF Guidelines, 2002	Composite Rate	600.00
Fast Food	SF Guidelines, 2002	Fast Food	1400.00
Industrial/PDR			7.90
Industrial	SF Guidelines, 2002	Manufacturing/Industrial	7.90

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

b. Daily trip rate is a composite of expected Civic/Institutional/Educational uses in the Eastern Neighborhoods.

c. A trip rate of 200 per 1,000 square feet was selected as representing the mid-point of this category.

Source: MEA Trip Generation Methodology, Transportation Impact Guidelines, January 2000 (1991 Guidelines) and October 2002, and Seifel Consulting Inc.

Appendix C:
Citywide Study—Recreation and Parks

**RECREATION AND PARKS
DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY
CITY AND COUNTY OF SAN FRANCISCO**

**September 18, 2007
UPDATED: JANUARY 7, 2008**

Public Finance
Facilities Planning
Urban Economics

Newport Beach
Riverside
Walnut Creek

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**RECREATION AND PARKS
DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY**

**September 18, 2007
Updated: January 7, 2008**

Prepared for

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**RECREATION AND PARKS
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I. EXECUTIVE SUMMARY

In order to adequately plan for new development through 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City and County of San Francisco (“City”) to prepare a Recreation and Parks Development Impact Fee Justification Study (the “Fee Study”).

The Fee Study identifies additional public facilities required by new development and determines the maximum level of fees that may be imposed to pay the costs of these facilities. Recreation and Park Fees have been determined that will finance facilities at levels identified by the Recreation and Parks Department as being necessary to meet the needs of new development through 2025. The required facilities and associated acquisition/construction costs are identified in the Needs List, which is included in Section IV of the Fee Study.

Organization of the Fee Study

The recreation and park fees are calculated to fund the cost of facilities needed to support future development. The steps followed in our study include:

1. **Demographic Assumptions:** Identify future growth that represents the increased demand for recreation and park facilities.
2. **Facility Needs and Costs:** Identify the amount and cost of recreation and park facilities required to support the new development.
3. **Cost Allocation:** Allocate costs per equivalent dwelling unit.
4. **Fee Schedule:** Calculate the maximum fee per residential unit or per non-residential square foot.

Background

All new development (except development occurring in Mission Bay, Rincon Hill, and Visitation Valley) may be required to pay its “fair share” of the cost of the new infrastructure through the Recreation and Park Fee calculated in this Fee Study.

To estimate facility needs, the Fee Study utilizes population and employment data provided by the City. The City is expected to add approximately 46,108 new residents and 67,367 new employees between 2006 and 2025. Given that Mission Bay, Rincon Hill, and Visitation Valley, unlike other areas of the City, are already subject to project specific development impact fees, these areas are excluded from the development assumed to be subject to any of the new fees analyzed in this report, as shown in Section VI.

The City currently imposes a Downtown Park development impact fee for recreation and park facilities. The existing fee is equal to \$2.00 per square foot of new or net area added in office development projects within certain specified use districts. The fee is not currently imposed on residential development.

The following highlights the nexus analysis results:

- As shown in Section VIII of Appendix A, the City is expected to experience a need for additional park land, multi-use fields, tennis courts, outdoor basketball courts, walkway and bikeway trails, and the construction of new or expansion of existing facilities on existing City-owned park land to serve new growth.
- Section XI of Appendix A summarizes the costs of the new facilities allocated to each of the residential and non-residential land uses. Please note that if Recreation and Park Fees are collected at the maximum levels, residential uses are expected to fund approximately 75.3% and non-residential uses will fund approximately 24.7% of the new recreation and park facilities costs that are funded through the Recreation and Park Fee.
- Section XI of Appendix A shows the maximum Recreation and Park Fees as shown below:

Land Use	Administration Costs per unit/Non- Residential square foot	Land Acquisition Costs per unit/Non- Residential square foot	Improvement Costs per unit/Non- Residential square foot	Maximum Fee per unit/Non- Residential square foot
Single Family	\$98	\$4,460	\$3,287	\$7,845
Senior/Single Room Occupancy	\$38	\$1,750	\$1,290	\$3,078
Multi-Family, 0 to 1 bedrooms	\$65	\$2,939	\$2,166	\$5,170
Multi-Family, 2 or more bedrooms	\$74	\$3,354	\$2,472	\$5,899
Civic, Institutional, Educational	\$0.03	\$1.28	\$0.94	\$2.25
Motel-Hotel	\$0.02	\$0.72	\$0.53	\$1.26
Medical	\$0.03	\$1.28	\$0.94	\$2.25
Office	\$0.03	\$1.28	\$0.94	\$2.25
Retail	\$0.02	\$0.96	\$0.71	\$1.69
Industrial	\$0.02	\$0.82	\$0.61	\$1.45

- For purposes of comparison only, please note that recreation and park fees implemented in certain jurisdictions in California range from approximately \$1,510 to \$19,264 for a single family residence and \$1,233 to \$12,823 for a multi-family residence. For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: ‘Comparative Practices for Development Impact Fees.’

II. INTRODUCTION

This report presents an analysis of the need for recreation and park facilities to support future development within the City and County of San Francisco (“City”) through 2025.

In order to adequately plan for new development through 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City to prepare the Recreation and Parks Development Impact Fee Justification Study (the “Fee Study”).

Purpose

New residential and non-residential development within the City will generate additional residents and employees who will require additional recreation and park facilities. Land will have to be acquired and recreation, park, and trail facilities will have to be expanded, constructed or purchased to meet this increased demand. Thus a reasonable relationship exists between the need for recreation and park facilities and the impact of residential and non-residential development.

Demographics

As indicated in Section I of Appendix A, there are currently 777,121 residents and 536,224 employees within the City. The City is expected to add 55,871 new residents and 83,807 new employees through 2025. The future development results in 24,505 new residential units and 21.6 million square feet of new non-residential building space.

Existing Recreation and Parks Fee

The City currently imposes a Downtown Park development impact fee for recreation and park facilities which is explained in more detail below:

- ◆ The goal of the existing Downtown Park fee program is to “provide the City with the financial resources to acquire and develop public park and recreation facilities.”¹
- ◆ The City’s Downtown Park Fee ordinance was last updated and approved in 2003.
- ◆ The fee is only applicable to office development permit applicants in the downtown use districts known as C-3-O, C-3-O(SD), C-3-R, C-3-G, and C-3-S.
- ◆ Payment of the fee is made to the City Treasurer prior to issuance of the first certificate of occupancy for the project.
- ◆ The fee is calculated as follows: \$2.00 per square foot X the net addition of gross floor area per final permit.

¹ See City Planning Code Section 139

Existing Recreation and Park Facilities

Table 1 below summarizes the City’s existing recreation and park facilities which are available to the City’s residents and employees.

TABLE 1

Facility	Quantity
All Park Land [1]	5,875.68 Acres
Baseball/Softball Fields	66 Fields
Multi-use/Soccer Fields	41 Fields
Tennis Courts	156 Courts
Outdoor Basketball Courts	82 Courts
Trails	Existing trail system is minimal and accurate data is difficult to obtain
[1] Estimated based on all current Recreation Park Department-owned land plus all other non-Recreation Park Department-owned open spaces which results in 7.56 acres per 1,000 residents. Current Recreation Park Department-owned land equals 3,357.4 acres which results in 4.32 acres per 1,000 residents.	

III. DEMOGRAPHIC ASSUMPTIONS

To estimate facility needs, the Fee Study utilizes population and employment data provided by the City. The following is a summary of the demographic assumptions used to establish the Recreation and Parks Fee:

- The growth forecast and land use data used in this analysis are based on a recent forecast by Moody’s Economy.com and adjusted by Brion & Associates, and other land use information and data from the City and County of San Francisco Planning Department. (For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: “City Growth Forecast and Demographic Data.”). Total new development expected to occur from 2006 to 2025 would include the following:
 - ◆ 55,871 new residents
 - ◆ 24,505 new dwelling units
 - ◆ 83,807 new employees
 - ◆ 21.6 million square feet of non-residential building space
- Development in Mission Bay is expected to result in approximately 3,712 new residents and 15,118 new employees between 2006 and 2025. While this new development will be served by the Future Facilities (the facilities as described in the Needs List in Section IV), it is excluded from the development assumed to be subject to the fee, given that Mission Bay is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Mission Bay, but it is anticipated that the funding will come from other sources.
- Development in Rincon Hill is expected to result in approximately 4,810 new residents and 1,172 new employees between 2006 and 2025. While this new development will be served by the Future Facilities, it is excluded from the development assumed to be subject to the fee, given that Rincon Hill is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Rincon Hill, but it is anticipated that the funding will come from other sources.
- Development in Visitation Valley is expected to result in approximately 1,242 new residents and 149 new employees between 2006 and 2025. While this new development will be served by the Future Facilities, it is excluded from the development assumed to be subject to the fee, given that Visitation Valley is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Visitation Valley, but it is anticipated that the funding will come from other sources.
- Net new development without Mission Bay, Rincon Hill, and Visitation Valley from 2006 to 2025 that would be subject to the Recreation and Park Fee includes:
 - ◆ 46,107 new residents
 - ◆ 19,146 new dwelling units
 - ◆ 67,367 new employees
 - ◆ 17.8 million square feet of non-residential building space

- We have determined that not all of the 67,367 future employees should be considered when calculating the Recreation and Park Fee for non-residential property. We have adjusted the number of employees to account for the fact that a person's park usage is more likely to be linked to their place of residence than their place of employment. As a result of these calculations, we have estimated that only 12,800 of the expected future employees will use City park facilities and will be included in the fee calculations.
- We have determined that not all of the 46,107 future residents should be considered when calculating the Recreation and Park Fee for residential property. In order to avoid double counting, for those residents that are expected to both live and work in the City, we have discounted the number of residents to account for their share of recreation and park facilities that will be funded through impact fees paid by their place of employment. As a result of these calculations, we have estimated that only 39,039 of the expected future residents will use City park facilities and will be included in the fee calculations.
- As explained in the Needs List in Section IV herein, the City Recreation and Parks Department anticipates the need for additional park land, multi-use fields (softball/baseball/soccer), tennis courts, outdoor basketball courts, walkway and bikeway trails, and the construction of new or expansion of existing facilities on existing City-owned park land in order to accommodate the City's future growth.
- With the exception of property located in Mission Bay, Rincon Hill, and Visitation Valley, DTA has calculated the Recreation and Park Fee under the assumption that such fee will be applied to all new development, and redevelopment where building space increases overall, and be applied to all land uses, residential and non-residential as listed below:
 - Single Family
 - Senior/Single Room Occupancy
 - Multi-Family, 0 to 1 bedrooms
 - Multi-Family, 2 or more bedrooms
 - Civic, Institutional, Educational
 - Motel-Hotel
 - Medical
 - Office
 - Retail
 - Industrial

IV. THE NEEDS LIST

Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. The Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a Recreation and Park Fee. The Needs List is organized by facility element (or type) and includes a cost section consisting of five columns, which are listed below:

TABLE 2
CITY AND COUNTY OF SAN FRANCISCO NEEDS LIST
EXPLANATION OF COST SECTION

Column Title	Contents	Source
Total Cost for Facility	The total estimated facility cost including construction, land acquisition, and equipment (as applicable).	Recreation and Parks Department and DTA
Off-Setting Revenues	Any funds on hand that are allocated for a given facility, such as funds from previous Development Impact Fee programs earmarked for facilities identified on this needs list. This column does not include potential funding from Federal & State sources that cannot be confirmed.	Recreation and Parks Department
Net Cost to City	The difference between the Total Cost and the Off-Setting Revenues (column 1 minus column 2).	Calculated by DTA
Percent of Cost Allocated to New Development	Percentage of facility cost allocated to new development as calculated in Appendix A.	Calculated by DTA
Cost Allocated to New Development	Dollar amount representing the roughly proportional impact of new development on the needed facilities.	Calculated by DTA

DTA worked closely with the Recreation and Parks Department staff to determine what public facilities would be needed to meet increased demand resulting from new development in the City. For purposes of the Fee Study, it was determined that a planning horizon though 2025 would be appropriate. The Needs List (Table 3) identifies those facilities needed to serve future development through 2025.

In many jurisdictions the capital improvement plan is the basis for the needs list. The City's 10-year Capital Plan² proposes an investment of \$68 million in renewal and maintenance for at least 200 recreation and park facilities that currently suffer from deferred maintenance, structural problems, disability access, and other programmatic deficiencies. The Recreation and Parks Department has reviewed the improvements in the Capital Plan and has determined that they are primarily needed to meet the needs of existing development. Therefore, in preparing the Fee Study, DTA and the Recreation and Parks Department have developed a Needs List that focuses on improvements that are needed to serve new development.

Pursuant to Section 16.107 of the City Charter, five percent of the funds deposited in the Park, Recreation & Open Space Fund each year are dedicated to the acquisition of real property identified in the Capital Plan. Since the Needs List is not based on the Capital Plan, the Recreation and Parks Department has determined that it would not be appropriate to apply such revenues to offset the costs on the Needs List. However, the Recreation and Parks Department has identified approximately \$7.4 million in other sources that can be used to reduce the costs allocated to new development.

Currently, there are approximately 5,876 acres of parkland and open spaces available for use in the City, which is equivalent to 7.56 acres per 1,000 residents. However, when only Recreation Park Department-owned land is considered, the total is reduced to 3,357 acres, which results in 4.32 acres per 1,000 residents.

All of these numbers are less than the standard determined by the National Park and Recreation Association, which calls for 10 acres of open space per 1,000 residents in cities. Given the City's existing development patterns, high population density, and small land mass (28,918 acres), the National Park and Recreation Association standard will be difficult to achieve within the City limits. Nevertheless, according to the City's General Plan³ to the extent it reasonably can, the City is aiming to increase the per capita supply of public open space within the City.

For purposes of this Fee Study, the Recreation and Parks Department has identified the need for 241 park land and open space acres to serve new development in the City. This is based on maintaining a standard of 4.32 acres per 1,000 residents. However, given the constraints discussed above, the Recreation and Parks Department has estimated that there are only approximately 55.1 acres of land that can be realistically acquired for recreation and park facilities during the period through 2025. Due to the high cost of land within the City, it has been determined that the imposition of a fee based on acquisition of 55.1 acres would be overly burdensome to new development. Therefore, the Recreation and Parks Department has decided to base the fee on the acquisition of 5.9 acres of park land and open space.

In lieu of acquisition of additional park land, the City intends to add new or expand existing facilities on approximately 242 acres of existing City-owned recreation and park land in order to accommodate increased demand. Examples of such expansions or new improvements may include, but not be limited to, new park recreation centers, community gardens, playgrounds for children, and other facilities.

² Based on City's Capital Plan dated February 26, 2007 at [http://www.sfgov.org/site/uploadedfiles/cpp/CCSF_FY2008-2017_Proposed_Plan_3-5-07\(2\).pdf](http://www.sfgov.org/site/uploadedfiles/cpp/CCSF_FY2008-2017_Proposed_Plan_3-5-07(2).pdf)

³ Based on the City's General Plan (www.sfgov.org/site/planning_index.asp?id=41423)

The Recreation and Parks Department has also identified the need for the following park facilities improvements to serve the new growth of 55,871 new residents within the City: 13 multi-use fields (softball/baseball/soccer), 11 tennis courts, 11 outdoor basketball courts, and 14.51 miles of walkway and bikeway trails. The needs are based on the recommended standard of 1 baseball/softball field per 8,000 new residents, 1 multi-use/soccer field per 10,000 new residents, 1 tennis court per 5,000 new residents, and 1 basketball court per 5,000 new residents as identified on page 21 of the City of San Francisco Recreation and Parks Department *August 2004 Recreation Assessment Report*.

The need for additional trails to serve existing residents and new growth is based on a proposed trail network in the City that will include 14.51 miles of walkway and bikeway trails.

Please note that the facilities described in the needs list and the estimated costs herein are estimates only based upon current expectation of needs, and actual costs may differ from those estimates herein. While the Recreation and Park Fees have been calculated based on only those facilities shown on the Needs List, the Recreation and Park Fees may fund other recreation and park improvements such as maintenance of other park facilities based on actual future needs.

**TABLE 3
CITY OF SAN FRANCISCO
RECREATION AND PARKS DEPARTMENT
FUTURE FACILITY NEEDS LIST THROUGH 2025**

FACILITY NAME	SIZE/UNIT	TOTAL COST FOR FACILITY	OFFSETTING REVENUES	NET COST TO CITY	% OF COST ALLOCATED TO NEW DEVELOPMENT	COST ALLOCATED TO NEW DEVELOPMENT
1. Park Land [1]	5.9 acres	\$102,801,600 [3]	(\$7,424,000) [4]	\$95,377,600	100.00%	\$95,377,600
2. Open Space & Facilities Improvements	241.7 acres [8]	\$46,475,000 [5]	\$0	\$46,475,000	100.00%	\$46,475,000
3. Park Facilities Improvements [2] Multi-Use Fields Tennis Outdoor Basketball	13 each 11 each 11 each	\$19,398,787 [6] \$2,166,912 [6] \$1,359,737 [6]	\$0 \$0 \$0	\$19,398,787 \$2,166,912 \$1,359,737	100.00% 100.00% 100.00%	\$19,398,787 \$2,166,912 \$1,359,737
4. Walkway and Bikeway Trails	14.51 Miles	\$12,616,072 [7]	\$0	\$12,616,072	7.11%	\$897,358
TOTAL RECREATION AND PARKS FACILITIES		\$184,818,108	(\$7,424,000)	\$177,394,108	93.39%	\$165,675,395

Notes:

- [1] Estimated acres provided by the San Francisco Recreation & Parks Department.
- [2] Based on existing facility standards and recommended future standards from the San Francisco Recreation & Parks Department August 2004 Recreation Assessment Report.
- [3] Costs per Acre for Land Acquisition based on \$400/square foot as estimated by the City and County of San Francisco Department of Real Estate and provided to DTA by the San Francisco Recreation & Parks Department.
- [4] Offsetting revenues provided by the San Francisco Recreation & Parks Department.
- [5] Park Land Improvement Costs based on \$192,258 per acre estimated by DTA.
- [6] All Park Facilities Improvement Costs based on the average cost per square foot of \$27.36 provided by San Francisco Recreation & Parks Department. Average facility size provided by San Francisco Recreation & Parks Department. [7] 11.51 number of miles of trails and trail costs based on information dated 3/22/07 provided by San Francisco Recreation & Parks Department. In addition, DTA estimated the miles of trails for two proposed trail networks equal to 79,200 square feet of trail and 15,840 square feet of trail, assuming the trails are 6 feet wide. Trail costs for the two trails based on information dated 10/6/06 provided by San Francisco Recreation & Parks Department.
- [8] Based on the construction of new or expansion of existing facilities on approximately 242 acres of park land as provided by the San Francisco Recreation & Parks Department.

V. METHODOLOGY UTILIZED TO CALCULATE IMPACT FEE

There are many methods or ways of calculating fees, but they are all based on determining the cost of needed improvements and assigning those costs equitably to various types of development. The Recreation and Park Fee has been calculated utilizing the methodology discussed below. The methodology employs the concept of an Equivalent Dwelling Unit to allocate benefit among the ten land use classes. Equivalent Dwelling Units are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. For the Recreation and Park Fee, Equivalent Dwelling Units are calculated based on the number of residents and/or employees, adjusted to reflect estimated park usage, generated by each land use class.

Step 1: DETERMINE FACILITIES COSTS

The total cost of recreation and park facilities as identified on the Needs List is approximately \$177 million. In addition, we have included total administrative costs of \$2 million which will pay for the annual administration of the new impact fee through 2025. The total administrative costs is based on one Full Time Equivalent at \$110,309 per year, as needed to administer the new impact fee through 2025.

Step 2: ALLOCATION OF COSTS TO NEW AND EXISTING DEVELOPMENT

The Recreation and Parks Department has determined that the land acquisition, park improvements, baseball/softball fields, multi-use/soccer fields, tennis facilities, and outdoor basketball facilities as identified on the Needs List are all needed to serve new development, and that no portion of the cost of such facilities should be borne by existing development.

As shown in Table 4 below, there are currently 7.56 acres of park land per 1,000 residents in the City and the Recreation and Park Fee calculated in this report includes costs for only 0.11 acres of park land per 1,000 new residents. Since new development is paying for fewer facilities than what is currently being provided to existing development, all costs for future facilities have been allocated to new development.

The table below shows the existing and future recreation and park land service standards per 1,000 residents:

TABLE 4

	Park Land Acres	Total Residents	Acres per 1,000 Residents
Existing	5,876 [1]	777,121	7.56
Proposed	241	55,871	4.32
For the Fee	5.9	55,871	0.11

[1] Estimated based on all current Recreation Park Department-owned land plus all other non-Recreation Park Department-owned open spaces. Current Recreation Park Department-owned land equals 3,357.4 acres which results in 4.32 acres per 1,000 residents.

In addition, the Recreation and Parks Department has determined that the expansion of walking and biking trails are needed to serve new development, but that existing residents would benefit from such improvements as well. Therefore, the costs for these improvements have been allocated to both existing and new development based on their applicable share of the total number of existing and future Equivalent Dwelling Units as shown in Sections I and III of Appendix A. Based on this share of total Equivalent Dwelling Units, costs of new trails allocated to new development is \$897,358.

The total costs for new facilities allocated to existing and new development is \$11,718,714 and \$165,675,394, respectively.

STEP 3: ALLOCATION OF COSTS TO NEW DEVELOPMENT

To allocate the costs, we have first assumed that both residents and workers are considered to be users of recreation and park facilities in the City. Demand for parks and related facilities are based on the City's combined resident-worker service population. However, we have discounted the number of expected employees to account for (i) workers can utilize park facilities near their home or place of employment, and (ii) workers who live and work within the City should not be double counted.

In order to estimate the park usage of an employee versus a resident, we have relied on the usage factors presented in the Phoenix Park and Library Equivalent Dwelling Unit Factors study prepared by the Hausrath Economics Group⁴. According to this study, park usage for an employee is equal to 0.19 of the park usage for a typical resident. Therefore, in determining Equivalent Dwelling Unit factors, the number of expected employees is multiplied by 0.19. In order to avoid double counting, the number of expected residents who work in the City is multiplied by 0.81 (1.00 minus 0.19). Please note that we have assumed that 55.2% of the employees working within the City also reside in the City based on data from the 2000 U.S. Census⁵.

Each of the ten land use categories (Single Family, Senior/Single Room Occupancy, Multi-Family (0 to 1 bedrooms), Multi-Family (2 or more bedrooms), Commercial (Civic/Institutional/Educational), Commercial (Motel/Hotel), Commercial (Medical), Commercial (Office), Commercial (Retail), and Industrial) is assigned an Equivalent Dwelling Unit factor derived from (i) the number of persons per household (for residential units) or (ii) the number of employees per 1,000 square feet of non-residential development, adjusted to reflect estimated park usage.

To establish the Equivalent Dwelling Unit factor for each land use, we first assumed that 2.95 park using residents residing within a Single Family Unit is equal to 1.00 Equivalent Dwelling

⁴ Phoenix Park and Library Equivalent Dwelling Unit Factors dated September 1998 prepared by Hausrath Economics Group

⁵ Based on "Residence County to Workplace County Flows for California" data from US Census (www.census.gov)

Unit. The Equivalent Dwelling Unit factor for all other land uses are then compared to the standard of 2.95 residents per unit. For instance, the Equivalent Dwelling Unit factor for a Senior/Single Room Occupancy unit is equal to 1.16 residents per unit divided by 2.95 residents per unit, or 0.39 Equivalent Dwelling Units per Senior/Single Room Occupancy unit. The Equivalent Dwelling Unit factor for non-residential property is determined the same way. For example, the Equivalent Dwelling Unit factor for Commercial (Civic/Institutional/Educational) property is equal to 0.84 employees who live outside the City but are likely to use park facilities per 1,000 square feet divided by 2.95 residents per unit, or 0.29 Equivalent Dwelling Units per 1,000 square feet. This allows us to quantify the demand for recreation and park facilities by each land use as it relates to the demand from a single family residential unit.

We can then estimate the total number of future Equivalent Dwelling Units based on the future growth projections (i.e., number of residential units and non-residential square feet) multiplied by the Equivalent Dwelling Unit factors as explained above. Based on the future growth projections, we have calculated a total of approximately 17,596 future Equivalent Dwelling Units, as indicated in Section VII of Appendix A and Table 5 below.

Total costs are then divided by total future Equivalent Dwelling Units (including Mission Bay, Rincon Hill, and Visitation Valley development) to arrive at a maximum Recreation and Park Fee per Equivalent Dwelling Unit of \$7,845. Section XI of Appendix A and Table 5 below show the total costs financed by the Recreation and Park Fee and the costs allocated to the Mission Bay, Rincon Hill, and Visitation Valley areas.

STEP 4: APPORTIONMENT OF RECREATION AND PARKS IMPROVEMENT COSTS

All new development (except development occurring in Mission Bay, Rincon Hill, and Visitation Valley) and redevelopment where building space increases overall, may be required to pay its “fair share” of the cost of the new infrastructure through the Recreation and Park Fee calculated in this Fee Study.

While new development in Mission Bay, Rincon Hill and Visitation Valley will be served by the Future Facilities, these areas are already subject to project specific development impact fees, and are excluded from the development assumed to be subject to any of the new fees analyzed in this report. Therefore, costs have been allocated to development within Mission Bay, Rincon Hill, and Visitation Valley, but it is anticipated that the funding will come from other sources.

Table 5 below presents a summary of the derivation of Equivalent Dwelling Units, maximum Recreation and Park Fee amounts, and the costs financed by Recreation and Park Fees for facilities identified on the Needs List. Calculation details are presented in Appendix A.

**TABLE 5
RECREATION AND PARKS IMPROVEMENTS
MAXIMUM FEE DERIVATION SUMMARY**

	(A)	(B) = (A) / 2.95 ^[1]	(C)	(D) = \$7,845 ^[2] x (B)	(E) = (D) x (C)
Land Use Type	Residents per Unit/Employees per 1,000 Non-Residential Square Feet	Equivalent Dwelling Units per Unit/1,000 Non-Residential Square Foot⁶	Number of New Units/Square Feet	Maximum Recreation and Park Fee Per Unit/Non-Residential Square Foot	Cost Financed by Maximum Recreation and Parks Fee
Residential					
Single Family	2.95	1.00	477	\$7,845	\$3,742,087
Senior/Single Room Occupancy	1.16	0.39	721	\$3,078	\$2,219,232
Multi-Family (0 to 1 bedrooms)	1.94	0.66	10,806	\$5,170	\$55,864,925
Multi-Family (2 or more bedrooms)	2.22	0.75	7,142	\$5,899	\$42,133,432
Non-Residential					
Civic/Institutional/Educational	0.84	0.29	20,083	\$2.25	\$45,160
Motel/Hotel	0.48	0.16	938,640	\$1.26	\$1,187,297
Medical	0.84	0.29	866,036	\$2.25	\$1,947,483
Office	0.84	0.29	9,148,963	\$2.25	\$20,573,576
Retail	0.63	0.21	2,103,296	\$1.69	\$3,547,314
Industrial	0.54	0.18	4,693,269	\$1.45	\$6,784,656
Total					\$138,045,161
Cost Allocated to Existing Development & Funded Through Other Sources					\$11,718,714
Cost Allocated to Mission Bay, Rincon Hill, and Visitation Valley Development					\$29,726,106
Total Cost of Recreation and Park Facilities					\$179,489,979
[1] 2.95 represents number of residents per single family residential unit.					
[2] \$7,845 represents maximum Recreation and Park Fee per equivalent dwelling unit.					

If development takes place as projected in Appendix B, the maximum fee amounts presented in Table 5 are expected to finance 77% of the recreation and park facilities on the Needs List. As discussed in Section I, the remaining costs have been allocated to existing development and the Mission Bay, Rincon Hill, and Visitation Valley areas which are already subject to project specific development impact fees.

⁶ Factors have been rounded to two decimals

VI. SUMMARY OF RECREATION AND PARKS FEE

Table 6 below summarizes the schedule of maximum justified recreation and park fees based on the analysis contained in the Fee Study. These fees will ensure that each new development project would fund the same proportionate share of recreation and parks costs.

**TABLE 6
MAXIMUM RECREATION AND PARK FEE SUMMARY**

Land Use Type	Administration Costs per Unit/Square Foot	Land Costs per Unit/Square Foot	Improvement Costs per Unit/Square Foot	Maximum Recreation & Park Fee per Unit/Square Foot
Residential				
Single Family	\$98	\$4,460	\$3,287	\$7,845
Senior/Single Room Occupancy	\$38	\$1,750	\$1,290	\$3,078
Multi-Family (0 to 1 bedrooms)	\$65	\$2,939	\$2,166	\$5,170
Multi-Family (2 or more bedrooms)	\$74	\$3,354	\$2,472	\$5,899
Non-Residential				
Commercial (Civic, Institutional, Educational)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Motel/Hotel)	\$0.02	\$0.72	\$0.53	\$1.26
Commercial (Medical)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Office)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Retail)	\$0.02	\$0.96	\$0.71	\$1.69
Industrial	\$0.02	\$0.82	\$0.61	\$1.45

Please note that the facilities described in the needs list and the estimated costs herein are estimates only based upon current expectation of needs, and actual costs may differ from those estimates herein. While the Recreation and Park Fees have been calculated based on only those facilities shown on the Needs List, the Recreation and Park Fees may fund other recreation and park improvements such as maintenance of other park facilities based on actual future needs.

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Appendix A

Fee Derivation Worksheet

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**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

I. Existing Recreation and Park Facilities EDU Calculation

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	291,000	(114,083)	NA	92,407	269,324	93,520	2.88	0.98	91,421
Senior/Single Room Occupancy	22,400	(224)	NA	181	22,357	22,292	1.00	0.34	7,589
Multi-Family (0 to 1 bedrooms)	274,721	(107,701)	NA	87,238	254,258	135,152	1.88	0.64	86,307
Multi-Family (2 or more bedrooms)	189,000	(74,095)	NA	50,017	174,922	90,089	1.94	0.66	59,377
Subtotal	777,121	(296,103)	0	239,843	720,861	341,053	NA	NA	244,694
Civic, Institutional, Educational	94,127	(51,977)	42,150	17,884	17,884	19,295,974	0.93	0.31	6,071
Motel/Hotel	18,761	(10,360)	8,401	3,565	3,565	7,279,093	0.49	0.17	1,210
Medical	36,772	(20,305)	16,466	6,987	6,987	10,810,895	0.65	0.22	2,372
Office	225,676	(124,618)	101,058	42,878	42,878	90,270,440	0.48	0.16	14,555
Retail	97,205	(53,676)	43,528	18,469	18,469	31,494,307	0.59	0.20	6,269
Industrial	63,684	(35,166)	28,518	12,100	12,100	30,186,311	0.40	0.14	4,107
Subtotal	536,224	(296,103)	240,121	101,883	101,883	189,337,019	NA	NA	34,584
Total	1,313,345	NA	240,121	581,569	1,543,605	NA	NA	NA	279,278

II. Inventory of Existing Facilities

Facility Type	Quantity	Facility Unit	Facility Units Per 1,000 Residents
All Park Land [1]	5,875.68	Acres	8.15
Park Facilities Improvements [2]			
Baseball/Soccer Fields	66	Each	0.09
Multi-use/Soccer Fields	41	Each	0.06
Tennis	156	Each	0.22
Outdoor Basketball	82	Each	0.11
Trails	NA [7]	Miles	NA

III. Future Recreation and Park Facilities EDU Calculation (Including Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	1,733	(1,458)	NA	1,181	1,456	490	2.97	1.01	494
Senior/Single Room Occupancy	860	(9)	NA	7	858	735	1.17	0.40	291
Multi-Family (0 to 1 bedrooms)	30,464	(25,623)	NA	20,755	25,596	13,968	1.83	0.62	8,688
Multi-Family (2 or more bedrooms)	22,814	(19,189)	NA	15,543	19,168	9,312	2.06	0.70	6,507
Subtotal	55,871	(46,278)	0	37,485	47,078	24,505	NA	NA	15,981
Civic, Institutional, Educational	4,442	(2,453)	1,989	844	844	999,400	0.84	0.29	286
Motel/Hotel	2,347	(1,296)	1,051	446	446	898,640	0.48	0.16	151
Medical	3,855	(2,129)	1,726	732	732	867,404	0.84	0.29	249
Office	51,122	(28,230)	22,893	9,713	9,713	11,502,528	0.84	0.29	3,297
Retail	8,297	(4,582)	3,715	1,576	1,576	2,489,072	0.63	0.21	535
Industrial	13,744	(7,590)	6,155	2,611	2,611	4,810,529	0.54	0.18	886
Subtotal	83,807	(46,278)	37,529	15,923	15,923	21,607,571	NA	NA	5,405
Total	139,678	NA	37,529	53,409	63,001	NA	NA	NA	21,386

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

IV. Future Recreation and Park Facilities EDU Calculation (Mission Bay Area)

Land Use Type	Number of Residents/ Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	0	0	NA	0	0	0	NA	NA	NA
Senior/Single Room Occupancy	2,227	(2,071)	NA	1,677	0	0	NA	NA	NA
Multi-Family (0 to 1 bedrooms)	1,485	(1,381)	NA	1,118	1,834	1,190	0.52	0.52	622
Multi-Family (2 or more bedrooms)	3,712	(3,451)	0	2,795	1,223	793	1.54	0.52	415
Subtotal					3,056	1,983	NA	NA	1,037
Civic, Institutional, Educational	4,220	(2,330)	1,890	802	802	949,392	0.84	0.29	272
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	5	(3)	2	1	1	1,026	0.84	0.29	0
Office	9,598	(5,300)	4,298	1,824	1,824	2,159,598	0.84	0.29	619
Retail	1,026	(567)	459	195	195	307,800	0.63	0.21	66
Industrial	270	(149)	121	51	51	94,539	0.54	0.18	17
Subtotal	15,118	(8,348)	6,770	2,872	2,872	3,512,355	NA	NA	975
Total	18,830	NA	6,770	5,688	5,929	NA	NA	NA	2,012

V. Future Recreation and Park Facilities EDU Calculation (Rincon Hill Area)

Land Use Type	Number of Residents/ Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	0	0	NA	0	0	0	NA	NA	NA
Senior/Single Room Occupancy	2,886	(2,683)	NA	2,173	2,376	1,860	1.28	0.43	807
Multi-Family (0 to 1 bedrooms)	1,924	(1,789)	NA	1,449	1,584	1,240	1.28	0.43	538
Multi-Family (2 or more bedrooms)	4,810	(4,472)	0	3,622	3,960	3,100	NA	NA	1,344
Subtotal									
Civic, Institutional, Educational	123	(68)	55	23	23	27,702	0.84	0.29	8
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	2	(1)	1	0	0	342	0.84	0.29	0
Office	814	(449)	364	155	155	183,100	0.84	0.29	52
Retail	226	(125)	101	43	43	67,944	0.63	0.21	15
Industrial	7	(4)	3	1	1	2,522	0.54	0.18	0
Subtotal	1,172	(647)	525	223	223	281,610	NA	NA	76
Total	5,982	NA	525	3,845	4,183	NA	NA	NA	1,420

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

VI. Future Recreation and Park Facilities EDU Calculation (Visitation Valley Area)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	62	(59)	NA	48	51	13	3.91	1.33	17
Senior/Single Room Occupancy	25	0	NA	0	25	14	1.79	0.61	8
Multi-Family (0 to 1 bedrooms)	497	(472)	NA	382	407	112	3.64	1.23	138
Multi-Family (2 or more bedrooms)	658	(624)	NA	506	539	137	3.94	1.34	183
Subtotal	1,242	(1,155)	0	935	1,023	276	NA	NA	347
Civic, Institutional, Educational	10	(5)	4	2	2	2,223	0.84	0.29	1
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	0	0	0	0	0	0	NA	NA	NA
Office	48	(27)	22	9	9	10,867	0.84	0.29	3
Retail	33	(18)	15	6	6	10,032	0.63	0.21	2
Industrial	58	(32)	26	11	11	20,199	0.54	0.18	4
Subtotal	149	(82)	67	28	28	43,321	NA	NA	10
Total	1,391	NA	67	984	1,051	NA	NA	NA	367

VII. Future Recreation and Park Facilities EDU Calculation (Excluding Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	1,671	(1,399)	NA	1,133	1,405	477	2.95	1.00	477
Senior/Single Room Occupancy	835	(9)	NA	7	833	721	1.16	0.39	283
Multi-Family (0 to 1 bedrooms)	24,854	(20,398)	NA	16,522	20,978	10,806	1.94	0.66	7,121
Multi-Family (2 or more bedrooms)	18,747	(15,395)	NA	12,470	15,822	7,142	2.22	0.75	5,371
Subtotal	46,107	(37,200)	0	30,132	39,039	19,146	NA	NA	13,252
Civic, Institutional, Educational	89	(49)	40	17	17	20,083	0.84	0.29	6
Motel/Hotel	2,347	(1,296)	1,051	446	446	938,640	0.48	0.16	151
Medical	3,849	(2,125)	1,724	731	731	866,036	0.84	0.29	248
Office	40,662	(22,454)	18,208	7,726	7,726	9,148,963	0.84	0.29	2,622
Retail	7,011	(3,871)	3,140	1,332	1,332	2,103,296	0.63	0.21	452
Industrial	13,409	(7,405)	6,005	2,548	2,548	4,693,269	0.54	0.18	865
Subtotal	67,367	(37,200)	30,167	12,800	12,800	17,770,285	NA	NA	4,345
Total	113,474	NA	30,167	42,932	51,839	NA	NA	NA	17,596

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

VIII. Proposed Inventory and Costs

Description	Quantity	Facility Unit	Facility Units Per 1,000 Residents	Cost per Facility Unit [13, 14]	Offsetting Revenues [15]	Facility Cost
Park Land [8]	203	Acre	4.32	\$17,424,000	NA	NA
Adjusted Park Land [9]	5.9	Acre	0.11	\$17,424,000	(\$7,424,000)	\$95,377,600
OS & Facility Improvements [10]	242	Acre	4.33	\$192,258	\$0	\$46,475,000
Park Facilities Improvements [2]						
Multi-Use Fields	13	Each	0.23	\$1,492,214	\$0	\$19,398,787
Tennis	11	Each	0.20	\$196,992	\$0	\$2,166,912
Outdoor Basketball	11	Each	0.20	\$123,612	\$0	\$1,359,737
Walkway and Bikeway Trails [11]	14.51	Miles	0.26	\$669,474	\$0	\$12,616,072
Total						\$177,394,108

IX. Allocation of Costs to Existing & New Development

**A. Park Land, Park Land Improvements, Baseball/Softball Fields, Multi-use/Soccer Fields, Tennis, and Outdoor Basketball
Cost Allocated to New Development**

Facility	% of Cost Allocated to Future Development	Facility Cost to Future Development
Adjusted Park Land	100.00%	\$95,377,600
OS & Facility Improvements	100.00%	\$46,475,000
Park Facilities Improvements		
Multi-Use Fields	100.00%	\$19,398,787
Tennis	100.00%	\$2,166,912
Outdoor Basketball	100.00%	\$1,359,737
Total		\$164,778,036

**B. Walkway and Bikeway Trails
Cost Allocated to Existing and New Development**

Trails	EDUs	Percentage of Cost Allocated	Facility Cost
Existing	279,278	92.89%	\$11,718,714
New Development	21,386	7.11%	\$897,358
Total	300,663	100.00%	\$12,616,072

X. Summary Cost Data

Description	Cost Allocated to New Development	Total Future EDUs	Maximum Cost per EDU
A. Adjusted Park Land	\$95,377,600	21,386	\$4,460
OS & Facility Improvements	\$46,475,000	21,386	\$2,173
Park Facilities Improvements			
Multi-Use Fields	\$19,398,787	21,386	\$907
Tennis	\$2,166,912	21,386	\$101
Outdoor Basketball	\$1,359,737	21,386	\$64
B. Walkway and Bikeway Trails	\$897,358	21,386	\$42
C. Administrative Costs [12]	\$2,095,871	21,386	\$98
Total	\$167,771,266	NA	\$7,845

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

XI. Recreation and Parks Facilities Costs per Unit or Non-Res SF (Separating Amount Allocated to Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Cost Per EDU	EDUs per Unit / 1,000 Non-Residential Square Feet	Administration Costs Per Unit / Non-Residential Square Foot	Land Acquisition Costs Per Unit / Non-Residential Square Foot	Improvement Costs Per Unit / Non-Residential Square Foot	Maximum Fee Per Unit / Non-Residential Square Foot	Number of Units / Non-Residential Square Foot	Cost Financed by Development Impact Fee Maximum
Single Family	\$7,845	1.00	\$98	\$4,460	\$3,287	\$7,845	477	\$3,742,087
Senior/Single Room Occupancy	\$7,845	0.39	\$38	\$1,750	\$1,290	\$3,078	721	\$2,219,232
Multi-Family (0 to 1 bedrooms)	\$7,845	0.66	\$65	\$2,939	\$2,166	\$5,170	10,806	\$55,864,925
Multi-Family (2 or more bedrooms)	\$7,845	0.75	\$74	\$3,354	\$2,472	\$5,899	7,142	\$42,133,432
Subtotal	\$7,845	NA	NA	NA	NA	NA	19,146	\$103,959,675
Civic, Institutional, Educational	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	20,083	\$45,160
Motel/Hotel	\$7,845	0.16	\$0.02	\$0.72	\$0.53	\$1.26	938,640	\$1,187,297
Medical	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	866,036	\$1,947,483
Office	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	9,148,963	\$20,573,576
Retail	\$7,845	0.21	\$0.02	\$0.96	\$0.71	\$1.69	2,103,296	\$3,547,314
Industrial	\$7,845	0.18	\$0.02	\$0.82	\$0.61	\$1.45	4,693,269	\$6,784,656
Subtotal	\$7,845	NA	NA	NA	NA	NA	17,770,285	\$34,085,485
Total Financed by Development Impact Fee								\$138,045,161
Amount Allocated to Mission Bay Area								\$15,788,154
Amount Allocated to Rincon Hill Area								\$11,139,241
Amount Allocated to Visitation Valley Area								\$2,798,711
Outside Funding Responsibility								\$11,718,714
Total Cost of Recreation and Park Facilities								\$179,489,979

[1] Estimated based on current all Park Lands standard of 7.56 acres per 1,000 residents.
 [2] Based on existing facility standards and recommended future standards from the San Francisco Recreation & Parks Department August 2004 Recreation Assessment Report.
 [3] Existing Residents per Residential land use class estimated by DTA. Future Residents per Residential land use class and number of employee figures per Non-Residential land use class based on data provided by Brion & Associates and City of San Francisco Planning Department.
 [4] Employees residing within the City based on "Residence County to Workplace County Flows for California" data from the 2000 U.S. Census. We have estimated that 55% of the City's employees both live and work in the City.
 [5] Based on number of residents employed within City utilizing park facilities and number of total employees within City utilizing park facilities. Assumes that workers have 0.19 of the impact of one resident based on the *Phoenix Park and Library EDU Factors* study prepared by the Hausrath Economics Group. Therefore, residents who live and work in the City are counted as 0.81 since 0.19 is charged at their place of employment.
 [6] Residents per Unit and employees per 1,000 Non-Residential square feet based on data dated 4/27/07 provided by Brion & Associates.
 [7] Existing trail system is minimal and accurate data is difficult to obtain.
 [8] Estimated based on maintaining existing all Recreation Park Lands standard of 4.32 acres per 1,000 residents.
 [9] Total acres estimated by the San Francisco Recreation & Parks Department.
 [10] Based on the construction of new or expansion of existing facilities on approximately 242 acres of park land as provided by the San Francisco Recreation & Parks Department.
 [11] 11.51 number of miles of trails and trail costs based on information dated 3/22/07 provided by San Francisco Recreation & Parks Department. In addition, DTA estimated the miles of trails for two proposed trail networks equal to 79,200 square feet of trail and 15,840 square feet of trail, assuming the trails are 6 feet wide. Trail costs for the two trails based on information dated 10/6/06 provided by San Francisco Recreation & Parks Department.
 [12] Based on annual administrative costs of \$110,309 per Full Time Equivalent needed to administer the development impact fee from 2006 to 2025.
 [13] Costs per Acre for Land Acquisition based on \$400/square foot as estimated by City and County of San Francisco Department of Real Estate and provided to DTA by the San Francisco Recreation & Parks Department.
 [14] All Park Facilities Improvement Costs based on the average cost per square foot of \$27.36 provided by San Francisco Recreation & Parks Department. Average facility size provided by San Francisco Recreation & Parks Department. Park Open Space and Facility Improvement Costs based on \$192,258 per acre estimated by San Francisco Recreation & Parks Department.
 [15] Offsetting revenues provided by the San Francisco Recreation & Parks Department.

Appendix D:
Citywide Study—Child Care



BRION & ASSOCIATES

Final Report:

**CHILD CARE NEXUS STUDY FOR
CITY OF SAN FRANCISCO**

**Prepared by Brion & Associates
in conjunction with**

**FCS Group, Inc.
Nilsson Consulting**

May 2007

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Executive Summary

The City and County of San Francisco (City) expects to add about 55,900 new residents and 83,800 new employees between 2006 and 2025, including development expected at Mission Bay, Rincon Hill, and Visitation Valley. A portion of these new residents and employees will need child care for their children 0 to 13 years of age. Based on a variety of demand factors that are discussed in this chapter, the following findings are made concerning the need for and the nexus to establish a citywide child care linkage fee in San Francisco. The Department of Children, Youth, and Their Families proposes to expand the Child Care Linkage Fee Program to apply to all land uses citywide. This is in contrast to the existing child care fee that only applies to office and hotel uses in the downtown area.

This child care nexus analysis estimates the number of children associated with residential growth (including residents that work in the City) and employees that work in the City but live elsewhere. The need for these children to have licensed child care is based on a variety of demand factors that are described in more detail below. In summary, 44% of 0 to 13 year old children of residents are assumed to need formal child care and 5% of the children of non-resident employees are assumed to need child care, assuming one child per employee. The analysis does not double-count residents that also work in the City.

The analysis estimates child care demand for three age groups—infants, preschool, and school age—based on industry standards of categorizing care. Child care supply analyzed in this report includes licensed child care centers, family child care homes, school age programs, both licensed and license-exempt, and some private afterschool care facilities.¹

In general, under the proposed child care program, new development would have two choices: 1. provide child care space on- or offsite at certain rates that vary by land use; or 2. pay a linkage fee that would vary by land use. Monies generated by the fee program would be used to fund new child care facilities throughout the City. These options are currently available in the existing child care fee program.

To summarize, the following steps and assumptions are used to estimate the nexus for establishing the child care linkage fee by land use:

- ◆ Total population and non-resident employment growth are estimated by land use category.

¹ It also includes spaces in the San Francisco Unified School District's afterschool program spaces and in the Recreation and Park Department's Latchkey program.

- ◆ Density assumptions are applied to estimate new dwelling units and square feet of non-residential space (i.e., persons per household and square feet per employee).
- ◆ Child care demand factors are applied to this estimate of new population and employment growth by land use category to estimate number of total children, 0 to 13 years old, needing licensed care.
- ◆ An assumption is made regarding San Francisco's policy target for child care. This assumption is that San Francisco plans to fund 100% of the need for new licensed child care created by growth in population and employment. This is consistent with most other cities' child care fees, including the proposed fee in Alameda County and the current fee in Palm Desert.
- ◆ The State licensing requirements for child care indoor and outdoor space are applied to the estimated need for child care spaces by land use.
- ◆ The total child care space requirements are divided by the amount of development expected in each land use category, i.e., units of residential and by 1,000 square feet for non-residential. This becomes the child care space requirement per land use for indoor and outdoor space.
- ◆ The average cost per child care space² is applied to the estimated demand for child care spaces by land use to derive total costs by land use.
- ◆ The total cost of child care by land use is divided by the number of units or amount of square footage of new development in each land use category to derive the maximum linkage fee rate by land use justified by this nexus study.
- ◆ An administration fee is added to fund the cost of administering the linkage fee program, which is estimated at 5% of total facility costs. The total child care facility costs, including administrative costs, is estimated by land use and then divided by the amount of development in each land use category to estimate the maximum possible linkage fee on a per unit or per square foot basis. This is the maximum child care linkage fee that could be charged to new development at the issuance of building permits.

The following items summarize and highlight the results of the child care nexus analysis for the City and County of San Francisco.³

² See **Table 10**.

³ Please note that many figures throughout this document are rounded to the nearest 100.

- ◆ As shown in **Table S-1**, the City will experience a need for an additional 3,780 formal child care spaces between 2006 and 2025. About 60% of these will come from residential uses or 2,271 spaces and about 40% or 1,509 spaces from non-residential uses.
- ◆ On average, the City will need to add about 199 new child care spaces per year to address demand from expected new development. These spaces are expected to cost an average of about \$2.57 million per year to construct (see **Table S-1**).
- ◆ **Table S-2** summarizes the demand for child care spaces as allocated to different types of child care and the associated cost for each type of care. As shown, child care centers are the most costly type of child care to build with an average cost per space of about \$27,400. Because the City wants to provide a mix of different types of care with varying costs and settings, the average cost per space overall would be \$12,325, or significantly less than the average center-based space.
- ◆ **Table S-3** summarizes the costs of providing child care by land use based on the demand factors for each land use, which vary based on resident and employee densities. Residential uses will generate about 60% of the new cost of child care or about \$29.4 million, and non-residential uses will generate the remaining 40% of revenues or \$19.5 million. These revenues will cover the total combined costs of \$48.9 million needed to provide new child care facilities (including administrative costs) to serve child care needs associated with new development.
- ◆ **Table S-4** summarizes the child care requirements for residential and non-residential uses. The requirements are expressed as square feet per dwelling unit by type of unit and square feet per 1,000 square feet of non-residential building space. The child care requirement would include indoor and outdoor space, as shown.
 - Residential uses would fund a range of 12.6 to 19.1 square feet of indoor child care space and 8.7 to 13.2 square feet of outdoor space per dwelling unit based on the nexus analysis.
 - Non-residential uses would fund an average of 9.3 square feet of indoor child care space and 6.4 square feet of outdoor space per 1,000 square feet of building space based on the nexus analysis. Actual rates vary by land use category.

Table S-5 shows the maximum child care linkage fee rates based on this nexus study, which include the following:

○ Single Family:	\$2,272 per unit
○ Multi-Family, 0 to 1 bedrooms:	\$1,493 per unit
○ Multi-Family, 2+ bedrooms:	\$1,704 per unit
○ <i>Average, Residential</i>	<i>\$1,595 per unit or \$1.72 per sqft⁴</i>
○ Civic, Institutional, Educational:	\$1.29 per square foot
○ Hotel:	\$0.72 per square foot
○ Industrial:	\$0.83 per square foot
○ Medical:	\$1.29 per square foot
○ Office:	\$1.29 per square foot
○ Retail:	\$0.97 per square foot

These fee rates include 5% for administrative costs.

- ◆ The City has the option to adopt fee rates that are lower than those included in this nexus study. The fee rates discussed in this study reflect the maximum amount of fee that could be charged based on nexus requirements for establishing fees.

Thus, a 100-unit new multi-family (0 to 1 bedrooms) residential project would generate about \$149,000 in linkage fees to be used to construct new child care or expand existing child care facilities. The average residential fee of \$1,595 per unit is also estimated at \$1.72 per square foot for comparison purposes and is based on the assumption that the average size of a new residential unit is 925 square feet. A new 100,000-square foot office project would generate about \$129,000 in linkage fee revenue. The existing child care fee for an office in the downtown district is \$1.00 per square foot, and that fee has not been increased since its adoption in 1986, although changes have been made to the ordinance for administration purposes. The potential maximum child care linkage impact fee represents a 29% increase over the prior child care fee for office space, and also expands coverage to a full range of non-residential uses located throughout San Francisco.

Policy Options

Several policy options developed by the Department of Children, Youth, and Their Families and the Consultant are included in this nexus study, which would be at the discretion of the Board of Supervisors to consider and adopt as part of implementing the updated Child Care Linkage Fee. These include:

⁴ This is for comparison only and assumes an average sized dwelling unit of 925 square feet. The fee would be a “per dwelling unit” fee.

1. *The child care impact fee will address 100% of the need for projected child care demand from 2006 to 2025.*
2. *The child care fee would apply to all land uses citywide. The current child care fee applies to office and hotel uses located only in the downtown area.*
3. *The provision of child care facilities instead of paying the in-lieu fee is limited to non-residential projects that generate demand for at least 14 child care spaces (the equivalent of a large family child care home) or a residential project that wanted to provide a small family child care home within the project, which serves up to 8 children.*

**Table S-1
Child Care Requirement and Costs for Residential and Non-Residential Uses
From Net New Growth 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study**

Land Use	Required Child Care Spaces (1)		Total Cost of New of Child Care (2)		Average per Year 2006-2025	
	Amount	Percent	Amount	Percent	Spaces	Funding
Residential	2,271	60%	\$29,392,103	60%	120	\$1,546,953
Non Residential	1,509	40%	\$19,522,825	40%	79	\$1,027,517
Totals	3,780	100%	\$48,914,928	100%	199	\$2,574,470

(1) Based on incremental growth in population and employment as estimated in Tables 1 through 8.

(2) Costs includes administrative cost of 5%.

Source: Brion & Associates.

Table S-2
Summary of Potential Child Care Costs
From New Development 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care	Number of Child Care Spaces	Average Cost Per Space (1)	Total Child Care Costs
1 Build New Centers: Spaces	1,070	\$27,406	\$29,335,081
2 New Centers in Existing or New Commercial Space	344	\$13,703	\$4,713,908
3 Expand at Existing Centers: Spaces	397	\$13,703	\$5,442,160
4 New Small Family Child Care Homes: Spaces	756	\$500	\$377,963
5 New Large Family Child Care Home Spaces	378	\$1,429	\$539,947
6 Expand FCCH from 8 to 14: Spaces	155	\$3,333	\$516,741
7 School Age at Existing Schools	679	\$8,333	\$5,659,846
Average Child Care Cost per Space		\$12,325	
Total Spaces and Costs	3,780		\$46,585,646
Administrative Costs (5%)			\$2,329,282
Total Child Care Costs			\$48,914,928

(1) See Table 10 for detailed estimates of demand by type of facility and cost factors.
Source: Brion & Associates.

Table S-3
Summary of New Child Care Costs Generated by New Development by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Density Assumptions (1)		Allocated Costs by Land Use	Percent Distribution
	Factor	Type		
<u>Residential Uses</u>				
Single-Family	3.50	persons/household	\$1,084,959	2%
Multi-Family, 0 to 1 Bedroom	2.30	persons/household	\$16,135,758	33%
Multi-Family, 2 + Bedrooms	<u>2.63</u>	persons/household	<u>\$12,171,386</u>	<u>25%</u>
Total Residential	2.35	persons/household	\$29,392,103	60%
<u>Non-Residential Uses</u>				
Civic, Institutional, Education	225	sqft per employee	\$25,867	0%
Hotel	400	sqft per employee	\$680,037	1%
Industrial/PDR	225	sqft per employee	\$3,885,985	8%
Medical	225	sqft per employee	\$1,115,442	2%
Office	300	sqft per employee	\$11,783,734	24%
Retail	350	sqft per employee	<u>\$2,031,761</u>	<u>4%</u>
Total Non-Residential			\$19,522,825	40%
Total Child Care Costs with Admin. Costs			\$48,914,928	100%

(1) Costs are allocated to land uses based on their population and employment densities.

See Tables 14 and 15.

Source: Brion & Associates.

Table S-4
Summary of New Child Care Space Requirements by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Child Care Requirements		
	Indoor Space	Outdoor Space	
<u>Residential Uses</u>			
Single-Family	19.1	13.2	sqft per dwelling unit
Multi-Family, 0 to 1 Bedroom	12.6	8.7	sqft per dwelling unit
Multi-Family, 2 + Bedrooms	14.4	9.9	sqft per dwelling unit
<u>Non-Residential Uses</u>			
Civic, Institutional, Education	10.8	7.5	sqft per 1,000 sqft of gross building space
Hotel	6.1	4.2	sqft per 1,000 sqft of gross building space
Industrial/PDR	7.0	4.8	sqft per 1,000 sqft of gross building space
Medical	10.8	7.5	sqft per 1,000 sqft of gross building space
Office	10.8	7.5	sqft per 1,000 sqft of gross building space
Retail	8.1	5.6	sqft per 1,000 sqft of gross building space
Average Non-Residential (1)	9.3	6.4	sqft per 1,000 sqft of gross building space

Note: Child Care demand by land use is based on population and employment densities and other child care demand factors.

(1) The average would apply to uses that do not fit in the above land use categories.

Source: Brion & Associates.

**Table S-5
Summary of Maximum New Child Care Linkage Fees by Type of Development
San Francisco Child Care Linkage Fee Nexus Study**

Type of Development	Maximum Potential Child Care Linkage Fee
<u>Residential Linkage Fee (1)</u>	
Single-Family	\$2,272 per dwelling unit
Multi-Family, 0 to 1 Bedroom	\$1,493 per dwelling unit
Multi-Family, 2 + Bedrooms	\$1,704 per dwelling unit
Average, All Units	\$1,595 per dwelling unit
Average Per Sqft of Residential Space	\$1.72 (3)
<u>Non-Residential Linkage Fee (1)</u>	
Civic, Institutional, Education	\$1.29 per sqft of gross building space
Hotel	\$0.72 per sqft of gross building space
Industrial/PDR	\$0.83 per sqft of gross building space
Medical	\$1.29 per sqft of gross building space
Office	\$1.29 per sqft of gross building space
Retail	\$0.97 per sqft of gross building space
Average Non-Residential (2)	\$1.06 per sqft of gross building space

Note: Costs are allocated to land uses based on their population and employment densities.

While the non-residential requirement is per 1,000 sqft, the fee is \$ per sqft of space.

(1) Residential fees are by unit type; non-residential fees are per square foot.

(2) The average would apply to uses that do not fit in the above categories.

(3) Assumes the average size unit is 925 sqft per dwelling unit.

Source: Brion & Associates.

1. Introduction and Purpose of Study

The City and County of San Francisco (City) currently has a child care inclusionary zoning ordinance with a linkage fee option, which was adopted in 1986. The child care program applies to office and hotel uses only in the downtown district at \$1.00 per square foot for projects with a net addition of 50,000 square feet of gross building space or more. The goal of the program is to “foster the expansion of and ease access to child care facilities affordable to households of low or moderate income.”⁵

The child care requirement was originally adopted in 1986, prior to the adoption of AB1600 in 1987, which is now commonly called The Mitigation Fee Act (Government Code 66000). This Act generally requires that a nexus be established for a public entity to adopt a development impact fee. While it is the City’s position that a nexus analysis is not needed for the Child Care Linkage Fee Program, the City does want to ensure that the fee is fair and equitable and meets the principles of nexus. The City’s child care ordinance was last updated and revised in 2003.⁶

The requirements of the existing zoning ordinance can be summarized as follows:

- ◆ Overall, the child care requirement is for a minimum of 3,000 square feet of child care facility space onsite.
- ◆ For hotel or office projects less than 300,000 square feet, a 2,000 square foot child care facility is required onsite.
- ◆ The child care facility must be a licensed facility.
- ◆ The formula for determining the amount of child care space is:

net addition gross square feet of hotel/office space x .01 = square feet of child care space facility required or the minimums listed above.
- ◆ A project sponsor or group of project sponsors within 0.5 miles of each other may elect to provide a child care facility at the above rates offsite, within 1.0 miles of the project(s) to meet the requirement.
- ◆ The child care facility must be provided for the life of the development project for which the facility is required or as long as there is demonstrated demand.
- ◆ The child care facility must be reasonably accessible to public transportation or transportation provided by the project sponsors.

⁵ See Section 314.4.(a)(1) Imposition of Child Care Requirement, page 42, dated April, 9, 2003.

⁶ This update included changes to the Transit Impact, Housing, Child Care, Park, and Inclusionary Housing Fees to transfer the collection and enforcement of the said fees to the City Treasurer’s Office.

- ◆ In all cases above, proof must be provided that the child care facility is leased to a non-profit child care provider without charge for rent, utilities, property taxes, building services, repairs, or any other charges of any nature for a minimum of three years.
- ◆ The project sponsor may elect to pay an in-lieu fee at the following rate:

net addition of gross hotel/office space x \$1.00 = total in-lieu fee requirement.
- ◆ Payment of the in-lieu fee is made to the City Treasurer, and the Treasurer prepares a certification which the project sponsor submits to the Planning Department as proof of child care mitigation prior to the issuance of the project's building permit.
- ◆ A project sponsor may elect to provide a combination of child care space and an in-lieu fee, singly or in conjunction with other project sponsors.
- ◆ A project sponsor may enter into an agreement with a nonprofit child care provider to provide a child care facility within the city to meet the conditions of the requirement; the agreement must be for a period of 20 years, with the first three years being made available free of rent, utilities, property taxes, building services, repairs or other charges. To facilitate this agreement, the project sponsor may pay to the nonprofit an amount equal to or in excess of the sum of the in-lieu fee due for the development project.

Since 1986, the City has collected approximately \$4.8 million in child care in-lieu fees. Over this period, no revenue was collected during seven of the years. The average annual amount of revenue collected in the last 20 years was \$241,000 per year. During the years when revenue was generated, the largest amount of revenue collected in one year was \$1.01 million in Fiscal Year 1990/91 and the lowest amount collected was about \$26,000 in Fiscal Year 1992/93. Given that the existing fee only applies to downtown office and hotel development, much of the new development in the City over the last 20 years has not paid child care impact fees.

2. Nexus Findings

This section describes the findings which establish the nexus between the need for the Child Care Linkage Fee, the maximum amount of the fee, the need for the facilities to be funded with the fee, and new development. The City's current position is that the present Child Care Linkage Program, including the in-lieu fee provision offered as an alternative to providing child care on- or offsite, is not subject to the requirements of the Mitigation Fee Act or Government Code Section 66000. The City does not expect to alter its position on this matter. However, because the City agreed to sponsor a supporting nexus analysis as part of the citywide fee study effort, and because there is interest in determining whether the Inclusionary Program can be supported by a nexus type analysis as an additional support measure, the City has contracted for the preparation of a nexus analysis at this time. The nexus findings include:

1. The purpose of the fee and related description of the child care facilities for which the revenue will be used;
2. The specific use of the child care fee;
3. The reasonable relationship between the child care facility to be funded and the type of development to be charged the fee;
4. The need for the child care facility and the type of development; and
5. The reasonable relationship between the amount of the child care fee and the proportionality of the cost specifically attributable to new and existing development.

Each of these findings is addressed below.

Purpose of the Child Care Linkage Fee

The purpose of the Child Care Linkage Fee is to fund required capital improvements to create new child care facilities or new spaces at existing child care facilities. These facilities will be available to serve all new residents and employees that require child care in San Francisco.

Use of the Child Care Linkage Fee

The Child Care Linkage Fee revenue will be used by the City and County of San Francisco to construct new child care facilities or provide funding for the expansion of existing child care facilities in the City. This study identifies seven potential options for creating new child care spaces and the fee revenue that will be used to fund these options in the City over the next 19 years, including:

1. Build new centers (free standing);
2. Build new centers in existing or new commercial space;
3. Expand existing centers;
4. Assist new small Family Child Care Homes;
5. Assist new large Family Child Care Homes;
6. Expand Family Child Care Homes from 8 to 14 spaces; and
7. Support school age care at existing schools or community facilities.

The Child Care Linkage Fee revenue will be combined with other City revenues and private funding to fund new child care facilities. A series of grants and loans will be used to allocate funding to child care providers, as is the City's practice with the current child care fee program.

Relationship of the Child Care Linkage Fee to New Development

New child care facilities are required to serve existing development as well as new development. The demand for new child care spaces is based on current projections of child care need prepared as part of this nexus study. The demand for child care from new development uses the same assumptions that have been used for existing development and is based on the methodology discussed at the beginning of this chapter and other research conducted for this study. The fee revenue will be used to fund new development's fair share of required child care facilities and/or new spaces at existing facilities. For development projects which require more than 14 spaces, the developer would have the option of providing the facility on- or offsite or paying the linkage fee. The City's current child care fee allows for either providing child care space or paying an in-lieu linkage fee.

Need for the Child Care Linkage Fee

Each new residential or commercial project that is developed in the City and County of San Francisco will generate new residents and non-resident employees. Current data on the supply of child care in the City shows that approximately two-thirds (or 64%) of the children needing licensed care have an available space. New development will add to this unmet demand for child care and aggravate the existing shortage of child care. The Child Care Linkage Fee will provide or fund new development's share of required child care facilities and spaces over the next 19 years. The linkage fee, however, will not be used to address existing deficiencies.

Proportionality of the Child Care Linkage Fee

This analysis assumes that the City and County of San Francisco will fund 100% of the total potential demand for child care in the City arising from new development through the Child Care Linkage Fee program. New development is being assessed fees only for their proportional share of the cost of providing new child care facilities and spaces in the City, assuming the same cost and demand factors that are applied to existing development. The child care linkage fee program addresses the impact of new development and not existing development. This study presents the maximum amount of fees by land use that could be charged to new development based on its impacts. However, the City can choose to adopt a fee rate that is less than the amounts discussed in this study.

3. Summary of Study Approach

This study estimates the current number of children ages 0 to 13 years old who require child care and the future demand for child care from new development, both residential and non-residential, through 2025.

- ◆ Children are analyzed in three age groups:
 1. Birth to 24 months old, or **Infants**
 2. 2 to 5 years old, or **Preschool**
 3. 6 to 13 years old or **School Age**

- ◆ Several types of child care spaces and providers are discussed:
 - **Small Family Child Care Home** that serves up to 8 children and can serve all age groups with limits on number of spaces per age group;
 - **Large Family Child Care Home** that serves up to 14 children and can serve all age groups with limits on number of spaces per age group;
 - **Child Care Center** that can serve all age groups, depending on its license(s); infants require a separate license from other age groups; and
 - **School Age**, which typically just serve school age children but may also serve preschool-age children

- ◆ Children as a percent of total population is a key factor in the child care demand analysis. These rates are taken from the California Department of Finance’s P-3 Report, which forecasts population by age. The following represents a summary of the rates assumed in the analysis:

Year	Infants	Preschool	School Age	Total, 0 to 13
2006	2.3%	4.1%	6.1%	12.5%
2006-2025 ⁷	1.5%	3.3%	7.2%	12.1%

- ◆ While the overall rate does not change very much during the analysis period, the rate by age group does change significantly. In particular, infants and preschool-age children decrease, and school age children increase.

⁷ These rates are the average by age over the time period (to 2025).

- ◆ All child care spaces analyzed in this report are either licensed or license-exempt⁸ child care and spaces provided by the City’s Latchkey program run by the Recreation and Park Department. The City’s Recreation and Park Department’s program is also not considered formally license-exempt but is a main source of school age care in the City. Private school afterschool spaces are not included in the supply data, because it is not possible to determine if they are already counted in other license or license exempt supply data.
- ◆ This analysis estimates that 37% of infants with working parents need licensed child care,⁹ and 66% of school age children with working parents¹⁰ require licensed child care. For preschool, a total of 100% of all preschool-age children with working parents are assumed to need a licensed preschool space.
- ◆ In addition to residents, this study also estimates that 5% of non-resident employees in San Francisco need licensed care, and each of these employees generates one child needing a licensed child care space on average. This factor is based on data derived from child care nexus studies from South San Francisco and Santa Monica.¹¹
- ◆ The Department of Children, Youth, and Their Families proposes that the child care inclusionary requirement and linkage fee will apply citywide to all new development—and redevelopment where building space increases overall—and will apply to all land uses, residential and non-residential, including:
 - Single Family
 - Multi-Family, Units with 0 to 1 bedroom
 - Multi-Family, Units with 2 or more bedrooms
 - Civic, Institutional, Educational
 - Hotel
 - Industrial

⁸ License-exempt spaces are child care providers that are generally associated with a public agency such as a unified school district; typically only school age care is license-exempt. This is a different status than unlicensed care. The local Child Care Resource & Referral Agency collects some data on license-exempt providers, but these providers are not required to register with the State. This analysis uses data collected by the Low Income Investment Fund (LIIF) on license-exempt providers, and from City’s Recreation and Park Department’s Latchkey program.

⁹ Based on a study prepared for Santa Clara County, which surveyed 1,400 working families. Also see Appendix A for more information.

¹⁰ Based on local San Francisco surveys and other child care studies. See Appendix A for more information.

¹¹ Information on South San Francisco is from “South San Francisco Child Care Facility Impact Free Study” by Brion & Associates, 2002. For the City of Santa Monica, see “Child Care Linkage Program,” prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

- Medical
- Office
- Retail

For this analysis, single resident occupancy (SRO) units and senior units are not assumed to generate any children by definition and are thus not included in the fee calculations.¹²

- ◆ The Consultant and the Department of Children, Youth, and Their Families suggest that a new non-residential project would have to generate the need for at least 14 child care spaces in order to provide child care space to meet its impact or for a residential project, a unit could be set aside for a small family child care home, serving up to 8 children. It is suggested that any project with an impact lower than 14 spaces would pay the linkage fee with the exception of the residential project that prefers to provide a unit onsite for a small family child care home. It is further suggested that projects with an impact of over 14 spaces could choose either option, i.e., pay the fee or build the space, onsite or offsite, consistent with the current child care fee ordinance. It also suggested that residential projects could have the option, at the City's discretion, of setting aside units that could be designated for family child care home units, either small or large, as a means of meeting the requirements of the child care ordinance. The rationale for 14 spaces is that this represents the size of a large family child care home.
- ◆ For indoor child care space requirements, a factor of 109 square feet of gross building space per child is required based on the average of 13 recent San Francisco child care projects partially funded through the City's existing Child Care Facilities Fund. This factor includes the 35 square feet of play space per child based on State licensing requirements combined with additional ancillary space, such as kitchens, halls, bathrooms, storage, and lobbies. For outdoor space requirements, a total of 75 square feet of outdoor space per child is required based on State licensing requirements.

¹² It is recognized that some single resident occupancy units do house children, but the intent of this type of housing is not family housing, and, thus, they are excluded; senior housing generally has age restrictions that exclude children.

4. Existing and Projected Demographics

Table 1 shows current (2006) and future (2025) data on population, households/housing units, and employment for San Francisco. The forecast and land use data are based on a recent forecast by Moody's "Economy.com" and adjusted by Brion & Associates, and other land use information and data from the City and County of San Francisco Planning Department. (For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: "City Growth Forecast and Demographic Data.") There are an estimated 777,000 residents and 536,000 jobs as of 2006. Future population is estimated at about 833,000 residents and 620,000 jobs by 2025.

Total new development expected to occur from 2006 to 2025 would include the following:

- ◆ 55,871 new residents;
- ◆ 24,505 new dwelling units; and
- ◆ 83,807 new employees.

Given that Mission Bay, Rincon Hill, and Visitation Valley, unlike other areas of the City, are already subject to project specific development impact fees and are therefore excluded from the development assumed to be subject to any of the new fees analyzed in this report, as shown in **Table 1**.

Net new development without Mission Bay, Rincon Hill, and Visitation Valley from 2006 to 2025 that would be subject to the child care fee includes:

- ◆ 46,108 new residents;
- ◆ 19,146 new dwelling units; and
- ◆ 67,367 new employees.

Table 2 presents the number of children in San Francisco based on 2000 U.S. Census data. The percentage of children by age group is based on the breakdown of children by age group from the Census and divided by the total population. Overall, children 0 to 13 years old comprise 11.3% of the population as of 2000. This table also shows the labor force participation rates of parents with children for each age group as of 2000. In calculating these rates, we count households with children in which there are two working parents or a single working parent. The Census breaks this down for households with children under the age of 6 and children ages 6 and over. On average, 57.6% of children under the age of 6 have working parents, and 63.2% of children ages 6 and over have working parents in San Francisco.

For this analysis, the number of children by age for children 0 to 13 years old is estimated based on percentages from the California Department of Finance P-3 Report for the City

and County of San Francisco. **Table 3** first applies the percent of children by age group to the total 2006 population estimate of 760,673 (excluding Mission Bay, Rincon Hill, and Visitation Valley¹³). This 2006 population estimate is based on data from the City's Planning Department and the forecast prepared for the Citywide Development Impact Fee Project and has been adjusted to be in-line with the employment estimates which are from Moody's "Economy.com." Next, the percent of total estimated employed residents in the City and residents who work outside the City (based on 2000 Census data) is applied to the 2006 population estimate to determine the number of children who might need care outside of San Francisco and those that require care in San Francisco. The "Net Residents" or those residents who are presumed to require care for their children in San Francisco is approximately 753,500. Based on this methodology, which discounts the population of those needing care outside of the City, it is estimated that there are approximately 88,000 children between the ages of 0 and 13 in San Francisco as of 2006.

¹³ The number of children for Mission Bay, Rincon Hill, and Visitation Valley is included for information purposes in Appendix B, Table F.

Table 1
Projected Growth in San Francisco from 2006-2025
San Francisco Child Care Linkage Fee Nexus Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
			Amount (3)	Avg. Annual Growth Rate			
<u>Total Population</u>	(1)	777,121	55,871	0.37%		832,992	na
Visitation Valley		11,501	1,242	0.54%		12,743	90%
Mission Bay		2,112	3,711	5.48%		5,823	65%
Rincon Hill		<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal		16,448	9,763			26,211	
Total w/out MB/RH/VV	(2)	760,673	46,108	0.31%		806,781	na
<u>Total Housing Units</u>	(1)	341,052	24,505	0.37%	2.28	365,557	na
Visitation Valley		3,100	276	0.45%	4.51	3,376	91%
Mission Bay		1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill		<u>1,500</u>	<u>3,100</u>	6.08%	1.55	<u>4,600</u>	100%
Subtotal		5,800	5,359			11,159	
Total w/out MB/RH/VV	(2)	335,252	19,146	0.29%	2.27	354,399	na
<u>Total Employment</u>	(1)	536,224	83,807	0.77%		620,031	na
Visitation Valley		1,268	149	0.59%		1,417	100%
Mission Bay		8,901	15,118	5.36%		24,020	100%
Rincon Hill		<u>17,811</u>	<u>1,172</u>	0.34%		<u>18,983</u>	100%
Subtotal		27,981	16,440			44,420	
Total w/out MB/RH/VV	(2)	508,243	67,367	0.66%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

**Table 2
Children as Percent of Total Population in 2000 and
Labor Force Participation Rates for Parents with Children Under 6 and 6-17 Years in 2000
San Francisco Child Care Linkage Fee Nexus Study**

2000 Census Data	Population by Age as of 2000					2000 Total Population
	0 to 24 Mos. Years	2 to 5 Years	6 to 9 Years	10 to 13 Years	Total 0-13 Years	
San Francisco Population	13,001	24,267	25,140	25,501	87,909	776,733
Percentage of Total Population	1.7%	3.1%	3.2%	3.3%	11.3%	
Labor Force Participation Rates (1)	57.6%	57.6%	63.2%	63.2%		

(1) Labor Force Participation Rates are calculated for children with two working parents or a working single parent. LFPRs are calculated for children under age 6 and for children ages 6 to 17.

Sources: Census 2000; Brion & Associates.

**Table 3
Number of Children and Total Population of San Francisco for 2006 and 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study**

San Francisco	Total Population All Ages	Population by Age (1)			Total 0-13
		0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)	
<u>Children as of 2006 (w/out MB, RH, VV)</u>					
Children as % of Population by Age Group (1)		2.3%	4.1%	6.1%	12.5%
Total Population at 2006 (2)	760,673	17,261	31,182	46,569	95,012
Total Estimated Employed Residents in City	41%	315,351 (3)			
SF Employed Residents Working Outside SF (5)	23%	72,739			
Those Needing Child Care Outside SF (5)	5%	7,214 (4)	3,607	3,607	
Net Residents		753,459			
Estimated Children at 2006 (5)		13,654	27,575	46,569	87,798
<u>New Children 2006-2025 (w/out MB, RH, VV)</u>					
Children as % of Population by Age Group (6)		1.5%	3.3%	7.2%	12.1%
Net New Population	46,108				
Senior and SRO Population	1,081				
Net Population with Children	45,027				
Estimated Children of New Residents		696	1,505	3,244	5,445
New Employed Residents (7)	50%	22,432			
New Employed Residents Working Outside SF	23%	5,174			
Those Needing Child Care Outside SF (5)	5%	259	129	129	259
Net New Residents Possibly Needing Care		44,768			
Net New Children 2006 to 2025		566	1,375	3,244	5,186
<u>Total Children at 2025 (w/ MB, RH, VV)</u> (8)					
Total Population	832,992				
Senior and SRO Population	24,990				
Net Population with Children	808,003				
Children as Percent of Total Population at 2025		1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents		9,480	18,666	47,102	75,248
New Employed Residents	50%	402,546			
New Employed Residents Working Outside SF	23%	92,852			
Those Needing Child Care Outside SF (5)	5%	4,643	2,321	2,321	4,643
Total Residents Possibly Needing Care		803,360			
Total Children 2025		7,158	16,345	47,102	70,605

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).
(2) Excludes Mission Bay, Rincon Hill and Visitation Valley areas as they have special agreements regarding child care.
(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.
(4) Based on non-resident employee demand for child care in SF. See Table 6.
(5) Based on Journey to Work data - see Table 5 and Table 6.
(6) Based on total population as estimated times the average percentage of children per age group from above.
(7) Based on forecasts of Employed Residents at 2025 by ABAG.
(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.
Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Table 3 also estimates the number of children expected in San Francisco between 2006 and 2025, based on the changes in the percent population that are children, 0 to 13, through 2025. Not including the Single Resident Occupancy population and excluding children assumed to need care outside of San Francisco, it is estimated that there will be 5,186 additional children associated with new development from 2006 to 2025. Using the same methodology, and as shown at the bottom of **Table 3**, the number of total children at 2025 is expected to total approximately 70,605.

Overall, children 0 to 13 in the City as a percent of total population will decline from 12.5% to 9.3% by 2025. This trend is forecast by the California Department of Finance based on changes in demographics, such as the age women have children and the number of children they have. The Association of Bay Area Governments (ABAG) forecasts a reduction of 16,000 in children 0 to 5 for the nine-county region.¹⁴ Almost all counties are forecast to have a net reduction in children ages 0 to 14 by 2025. For instance; Marin County is forecast to lose about 3,200 children 0 to 14, Santa Clara County will lose about 3,900 children 0 to 5, San Mateo County will lose about 4,500 children 0 to 14, Alameda County will lose about 1,500 children 0 to 14, and Contra Costa County will lose 9,800 children 5 to 14. Only Solano and Napa Counties are expected to add children overall from 2005 to 2025.

Even though the City will lose children overall, new development will generate new children, albeit at lower rates than currently, and generate new demand for child care. After accounting for the child care spaces planned to be funded through the proposed fee program, there will still be an unmet demand for child care as discussed further in this study (see **Table 9**).

¹⁴ See *ABAG Projections 2005*, population by age and county.

5. Existing Child Care Demand and Supply

Current Child Care Supply

Table 4 presents the current supply of child care in San Francisco. This data are summarized by type of facility and number of spaces by age group and was provided by the San Francisco Department of Children, Youth, and Their Families and the Department of Human Services. These data are consistent with the supply data being used for preparation of the City's updated Child Care Needs Assessment.

Overall, there are approximately 31,800 child care spaces at a total of 1,012 child care facilities. These facilities do not include the private afterschool programs for school age children. The breakdown of facilities and spaces is (see **Table 4**):

- ◆ 303 child care centers with 18,161 spaces;
- ◆ 562 small family child care homes with 4,430 spaces;
- ◆ 147 large family child care homes with 1,956 spaces; and
- ◆ 7,295 school age spaces through the San Francisco Unified School District and the City's Recreation and Park Department's Latchkey programs.

Spaces at child care centers make up over half of all spaces (57%), with small and large family child care homes making up about 20% and school age license-exempt care making up the remaining 23%. The amount and distribution of existing supply includes:

- ◆ Infant spaces, at 2,646 or 8% of total;
- ◆ Preschool spaces, at 14,410 or 45% of total; and
- ◆ School age spaces, at 14,789 or 46% of total.

Non-Resident Employees

Table 5 uses Journey-to-Work data from the 2000 U.S. Census to determine the number of residents who both live and work in San Francisco and the number of residents who work outside of San Francisco. This is the total count of employed residents who live in San Francisco. **Table 5** also shows the total estimated number of employees in San Francisco. Based on these numbers, it is estimated that 55.2% of employees live and work in the City, and 44.8% of employees who work in San Francisco live elsewhere.

For 2006, it is estimated that there are 508,243 jobs in the City, excluding those in Mission Bay, Rincon Hill, and Visitation Valley. Of these jobs, 227,616 are held by individuals that reside outside of the City or 44.8%. Based on employment projections (see **Table 1**) and the estimated percentage of employees who live outside of the City, it is estimated that of the total 575,611 jobs in 2025, the number of jobs held by individuals who do not live in the City will total 257,787. These estimates are used in **Tables 6 through 8** to calculate the estimated number of children of non-resident employees that

need licensed child care in San Francisco. Overall, there will be an increase in jobs held by individuals that do not live in the City, or non-resident employees of about 30,170 through 2025.

In 2006, there are an estimated 227,600 employees who work in the City and live elsewhere. For this analysis, we estimate child care demand for non-resident employees who work in San Francisco. Employees who work and live in San Francisco are counted under population demand estimates below. It is estimated that 5% of these employees in San Francisco have children requiring licensed-based care in the City. This percentage is based on the South San Francisco child care fee nexus study and surveys of corporate employees as well as the recent Santa Monica child care nexus fee study.¹⁵ Of those needing licensed care, the analysis also assumes one child per employee ages 0 to 5. Based on this data, approximately 11,381 children, whose parents work in San Francisco but reside elsewhere, require child care in San Francisco in 2006. By 2025, this number will increase by approximately 1,509 to a total of 12,889 children needing spaces.

Existing Child Care Demand and Supply Comparison

Current child care demand, as well as the current supply of child care in San Francisco, is summarized in this section. **Table 7** calculates the existing demand for child care based on the estimated number of children in 2006 and applying demand factors, including labor force participation rates of parents, and estimates of the need for licensed care by age group. This is calculated by taking the estimated number of children by age group and multiplying it by the labor force participation rates by age. The product of these numbers is considered the number of infant, preschool, and school age children with working parents who need some type of child care.

The percent of children requiring licensed care is then calculated by applying percentages based on a review of several child care studies, including child care impact fee studies (see **Appendix A**). For this study, we assume that, for residents, 37% of infants, 100% of preschool, and 66% of school age children with working parents require licensed care.

For non-resident employee child care demand, which is from 0 to 5 years old, we estimate that 25% of that demand is for infants, and 75% is for preschool-age children. It is assumed that school age children of non-resident employees receive care near their places of residence or near or at their neighborhood schools and not in San Francisco.

¹⁵ Information on South San Francisco is from “South San Francisco Child Care Facility Impact Fee Study” by Brion & Associates, 2002. For the City of Santa Monica, see “Child Care Linkage Program,” prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

Table 4
Child Care Supply Data for San Francisco as of June 2006
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care Facility	Number of Facilities - Providers	Number of Child Care Spaces by Age				Total Spaces, 0 to 13	Percent Distribution of Spaces by Type
		Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age			
Child Care Center Percent Distribution	303	1,080 6%	11,248 62%	5,833 32%	18,161 100%	57.0%	
Sm. Family Child Care Home (1) Percent Distribution	562	1,124 25%	2,182 49%	1,124 25%	4,430 100%	13.9%	
Lg. Family Child Care Home (1) Percent Distribution	147	441 23%	978 50%	537 27%	1,956 100%	6.1%	
School Age Care (2) SFUSD Programs (Excel/SF Team) Rec & Park LatchKey	na na			6,895 400			
Total School Age Percent Distribution				7,295 100%	7,295 100%	22.9%	
Total, All Facilities Percent Distribution	1,012	2,646 8%	14,410 45%	14,789 46%	31,842 100%	100.0%	

(1) Distribution of these spaces is based on licensing restrictions by age; actual spaces by age may vary from these estimates.

The ages served by FCCs are not reported to the local Resource and Referral Agency.

(2) From Department of Children, Youth and Their Families (October 2006); excludes some unlicensed community based organizations such as Boys & Girls Clubs and other non licensed or licensed exempt care due to inability to verify total capacity at these programs. Excel/SF Team data is from the San Francisco Unified School District School Health Program Data, 2005-2006. Rec & Park LatchKey Data is from the San Francisco Rec and Park Staff Survey in 2005.

Sources: SF Department of Children, Youth and Their Families; and Brion & Associates.

Table 5
Journey to Work Data and Employees Living Elsewhere but Working in San Francisco by Year
San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Amount	Rates	Notes
Employed Residents that Live & Work in San Francisco in 2000 (1)	322,009 <i>a</i>	76.9%	
Employed Residents that Work Outside San Francisco in 2000 (1)	96,544 <i>b</i>	23.1%	
Total # of Employed Residents in 2000 (1)	418,553 <i>c</i>	100.0%	$a + b = c$
Estimated Total Employees in City as of 2000 Census	583,190 <i>d</i>		
Percent of Employees that Live and Work in City in 2000	55.2% <i>e</i>		$a / d = e$
Percent of Employees that Live Elsewhere and Work in the City in 2000	44.8% <i>f</i>		$100\% - e$
Estimated Current Jobs as of 2006 (2)	508,243 <i>g</i>		
Employees Living Elsewhere Working in San Francisco in 2006 (3)	227,616 <i>h</i>		$g * f = h$
Projected total Jobs at 2025 (2)	575,611 <i>i</i>		
Employees Living Elsewhere Working in San Francisco in 2025	257,787 <i>j</i>		$i * f = j$

- (1) Based on Journey-to-Work data from the 2000 U.S. Census.
 (2) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.
 (3) Assumes same ratio of employed residents living and working in San Francisco from 2000.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

Table 6
Existing and Future Child Care Demand from Non-Resident Employees: 2006 and 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Existing Conditions 2006	Future Conditions 2025	Net Growth, 2006-2025
Employees that live elsewhere but work in San Francisco (1)	227,616	257,787	30,170 (4)
Estimated Number of Children of Employees Needing Licensed Care			
Estimated % of Employees with Children Needing Care (2)	5%	5%	na
Children Needing Licensed Care (3)	11,381	12,889	1,509

- (1) Based on SF DCP Projections (Table 1) and U.S. Census Journey-to-Work data (see Table 5).
- (2) 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.
- (3) Assumes one child per employee.
- (4) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

**Table 7
Existing Child Care Demand and Supply in San Francisco in 2006
San Francisco Child Care Linkage Fee Nexus Study**

Existing Conditions at 2006	Child Care Demand & Supply by Age				
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old	
<i>EXISTING DEMAND at 2006</i>					
Resident Children Potentially Needing Care	(1)	13,654	27,575	46,569	87,798
Average Labor Force Participation Rates	(2)	57.6%	57.6%	63.2%	
Children With Working Parents		7,864	15,881	29,454	53,199
% Children Needing Licensed Care	(3)	37%	100%	66%	72%
Children Needing Licensed Care		2,910	15,881	19,498	38,289
Percent of Children by Age Needing Care		21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces		5,755	24,417	19,498	49,670
Percent Distribution		12%	49%	39%	100%
<i>EXISTING SUPPLY at 2006</i>					
	(5)				
Family Child Care Homes					
Small, Licensed for 8		1,124	2,182	1,124	4,430
Large, Licensed for 14		441	978	537	1,956
Child Care Centers		1,080	11,248	5,833	18,161
School Age Care		-	-	7,295	7,295
Current Available Spaces		2,645	14,408	14,789	31,842
Percent Distribution		8%	45%	46%	100%
<i>EXISTING SURPLUS/(SHORTAGE) at 2006</i>					
		(3,110)	(10,009)	(4,709)	(17,828)
Percent Distribution		17%	56%	26%	100%
Percentage of Demand Met by Existing Facilities/Spaces		46%	59%	76%	64%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of existing population for 2006. Excludes residents that work outside of SF and need child care outside SF (see Table 3) and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Labor force participation rates (LFPRs) are from the 2000 Census and include children with two working parents or single working parents. The Census calculates LFPRs for all children under 6 years, and children 6 to 17 years old. Therefore, LFPRs for infants and preschool are the same. (See Table 2 for more information.)
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Applying these assumptions regarding the percent of children needing licensed care for residents and employees generates the total number of children requiring licensed child care spaces by age. The number of existing required spaces totals 49,670. Accounting for the current supply of child care, which is summarized in **Table 4**, we find that there is a shortage of 17,828 spaces overall for children ages 0 to 13 in San Francisco. Most of this shortage is for preschool-age and school age care. Overall, there are child care spaces available for about 64% of the children needing care. This does not account for whether they can afford these child care spaces, however. For infant care, 46% of demand is being met; for preschool, 59% of overall demand is met currently; and for school age children, 76% of demand is being met. Overall, one-third of children that need a licensed child care space may not have one available, irrespective of affordability.

In summary, of total children 0 to 13 living in the City, which equals 87,800; 44%, or slightly less than half, are assumed to require licensed child care outside the home. Overall, there is demand for nearly 50,000 child care spaces. With a supply of about 31,800 spaces, there is a significant shortfall of spaces in the City as of 2006.

Another measure of the unmet need for child care in the City includes the current waiting list for child care. The San Francisco Centralized Eligibility List publishes a monthly report which includes information on the number of children who are eligible for subsidized child care.¹⁶ To be eligible for the List, families must be low-income (i.e., at or below 75% of the State Median Income) and meet at least one of the following needs: working, looking for work, attending school or in training, homeless, medically incapacitated, or receiving Child Protective Services.¹⁷ Thus, not all the children estimated above needing a child care space are eligible for this List because it focuses on low-income children.

As of January 2007, there were 3,039 eligible children on the Centralized Eligibility List. This is over 1.5 times the 1,833 children currently enrolled in subsidized child care in the City. Of the total eligible children in January 2007, 1,242 (41%) were in families that earned 25% or less of the State Median Income. Approximately 45%, or 1,358 children, were in families which earned 25% to 50% of the State Median Income and 374 children (12%) were in families earning 50% to 75% of the State Median Income. Less than 2% of children came from families who earned over 75% of the State Median Income.

Future Child Care Demand

The future demand for child care is shown in **Table 8** and is based on projected population growth between 2006 and 2025 as discussed above. Demand is calculated using the same methodology and assumptions as in the previous tables for current

¹⁶ See *San Francisco Centralized Eligibility List Monthly Report* (as of 1/01/2007) for further explanation on the different categories and more detailed information.

¹⁷ Please see the San Francisco Centralized Eligibility List website: www.celsf.org.

demand and supply, with the exception of children as a percent of the total population, which is forecast to decline very slightly by 2025 from 12.5% in 2006 to 12.1% for the period 2006 to 2025 (see **Table 3**).¹⁸

Because we do not have estimates of future supply, the future demand analysis only presents future demand. **Table 8** calculates the total new demand for child care between 2006 and 2025, which is expected to equal 3,780 licensed child care spaces. Over half of these spaces, or 2,271 spaces, are generated by San Francisco residents. By age, the breakdown is as follows:

- ◆ 498 infant spaces, or 13% of total
- ◆ 1,923 preschool spaces, or 51% of total
- ◆ 1,358 school age spaces, or 36% of total

Table 9 shows the total child care demand at 2025, based on current and future demand, including the estimated 3,780 spaces to be added through the fee program. Assuming the child care fee program is updated as proposed herein and funds the 3,780 spaces needed, there would be an estimated shortfall of approximately 6,400 spaces at 2025, due to existing deficiencies. By age group, the estimated shortfalls equal:

- ◆ 1,228 infant spaces, or 19%;
- ◆ 1,618 preschool spaces, or 25%; and
- ◆ 3,574 school age spaces, or 56%.

The child care needs of Mission Bay, Rincon Hill, and Visitation Valley, which are excluded from the analysis as discussed above, are estimated for informational purposes and included in **Appendix B: Tables F and G**.

¹⁸ The average rates for children as a percent of the total population from the Department of Finance vary slightly from year to year, and this analysis uses the average rates between 2010 and 2025 for the net new growth in the City.

Table 8
Future Demand for Child Care: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Future Growth - 2006 to 2025	New Population & Employment	% Distri- bution	New Child Care Demand by Age			Total. 0 to 13 Years Old
			Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	
Future Child Care Need						
New Population with Children - 2006 to 2025	(1) 44,768	(see Table 3)				
Resident Children Potentially Needing Care						
Estimated Number of Children by Age	(2) (see Table 3)		566	1,375	3,244	5,186
Average Labor Force Participation Rates	(3)		57.6%	57.6%	63.2%	
Children With Working Parents			326	792	2,052	3,170
% Children Needing Licensed Care	(4)		37%	100%	66%	72%
Children Needing Licensed Care			121	792	1,358	2,271
Percent of Children by Age Needing Care			21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(5) (see Table 6)		377	1,131		1,509
<i>Distributed by Land Use Category</i>						
Civic, Institutional, Education	89	0%	0	1	-	2
Hotel-Motel	2,347	3%	13	39	-	53
Industrial/PDR	13,409	20%	75	225	-	300
Medical	3,849	6%	22	65	-	86
Office	40,662	60%	228	683	-	911
Retail	7,011	10%	39	118	-	157
Total Future Employee Demand for Child Care	67,367	100%	377	1,131	-	1,509
Total New Demand for Child Care Spaces			498	1,923	1,358	3,780
Percent Distribution			13%	51%	36%	100%

- (1) Excludes residents that work outside of SF and need child care outside SF (see Table 3) and represents population associated with SF and MF unit development and excludes SRO and senior units and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
- (3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
- (4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (5) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age. School age children are assumed to have care near their home and school.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

**Table 9
Total Child Care Demand at 2025
San Francisco Child Care Linkage Fee Nexus Study**

Existing Conditions	Child Care Demand & Supply by Age			
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old
DEMAND at 2025				
Resident Children Potentially Needing Care (1)	7,158	16,345	47,102	70,605
Average Labor Force Participation Rates (2)	57.6%	57.6%	63.2%	
Children With Working Parents	4,123	9,414	29,791	43,327
% Children Needing Licensed Care (3)	37%	100%	66%	71%
Children Needing Licensed Care	1,525	9,414	19,721	30,660
Percent of Children by Age Needing Care	21%	58%	42%	43%
Non-Resident Employee's Children Needing Care (4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces at 2025	4,371	17,949	19,721	42,041
Percent Distribution	10%	43%	47%	100%
EXISTING & FUTURE SUPPLY at 2025 (5)				
Family Child Care Homes				
Small, Licensed for 8	1,124	2,182	1,124	4,430
Large, Licensed for 14	441	978	537	1,956
Child Care Centers	1,080	11,248	5,833	18,161
School Age Care	-	-	7,295	7,295
Future Supply Funded with Fee Program (6)	498	1,923	1,358	3,780
Total Expected Spaces at 2025	3,143	16,331	16,147	35,622
Percent Distribution	9%	46%	45%	100%
ESTIMATED SURPLUS/(SHORTAGE) at 2025				
Percent Distribution	19%	25%	56%	100%
Percentage of Demand Met by Existing & Planned Facilities/Spaces	72%	91%	82%	85%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of total future population at 2025. (See Tables 1 and 3).
Note: includes Mission Bay, Rincon Hill and Visitation Valley existing development so as to give a full estimate of total demand at 2025.
- (2) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years.
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Demand for preschool is based on the Universal Preschool approach which is a policy goal of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.
- (6) Includes future supply expected to be constructed through the Linkage Fee Program (see Table 8).
- Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

6. Child Care Facilities Master Plan

As part of this effort, a plan for how the City would provide new child care spaces given the existing supply of child care by type, and the cost of providing new child care by type, has been prepared. The breakdown of new child care spaces by type of facility and age is shown for projected future demand in **Table 10**. This distribution of future spaces reflects the current supply by type of facility and age as well as the likelihood of each type of supply to expand or add more spaces. **Table 10** shows the breakdown of spaces by facility and age for the estimated 3,780 licensed spaces that will be required by new residents and non-resident employees in San Francisco. About 48% of the new spaces will be center-based through new centers, expansions of existing centers, or new centers in new or existing commercial space. About 34% of the spaces will be created through new and expanding family child care homes. For school age children, half of the new spaces are assumed to be school age care onsite at existing schools, and the other half will be split between center-based and family child care homes. Based on this breakdown of spaces, **Table 10** also calculates the total costs by type of care for new child care spaces. Child care spaces at new child care centers are the most expensive at approximately \$27,400 per space based on data from other San Francisco child care projects over the last several years.¹⁹ The costs per space by type of care are:

- ◆ \$27,400 per space for new child care center spaces;
 - ◆ \$13,700 for spaces in existing or new commercial space;
 - ◆ \$13,700 per space for existing child care centers which choose to expand;
 - ◆ \$500 per space for new small family child care homes;
 - ◆ \$1,429 per space for new large family child care homes;
 - ◆ \$3,333 per space for small family child care homes to expand to large family child care homes (net increase of 6 spaces per home); and
 - ◆ \$8,333 per space for school age care at existing schools.
- ◆ *Average: \$12,325 per space across all types of care.*

If San Francisco were to have a higher proportion of new center spaces, the average cost per space would be higher. The total cost of new required child care facilities equals about \$46.6 million, based on the above rates and distribution of spaces by facility type. Taking the average cost among these various types of care, however, is reasonable, given that the type of care that will actually be built is difficult to predict. This method reflects a reasonable estimate of what the City will build with the fee revenues given the distribution of demand by type of care, age, and the supply of existing types of child care. For instance, only a portion of small family child care homes can be assumed to be interested in or capable of expanding to large child care homes.

¹⁹ These costs have been adjusted for inflation and expressed in 2006 dollars.

Table 10
Estimated Cost of Child Care Spaces by Type of Space and Age: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Facility or Program	Average Cost per Space by Facility Type	Birth to 2 or Infant	3 to 5 or Preschool	6 to 13 or School Age	Totals, 0 to 13 Years Old	Percents of Totals
Target Number of Spaces	(see Table 8)	498	1,923	1,358	3,780	
1. Build New Centers: Spaces		199	769	102	1,070	28.3%
Costs (1)	\$27,406	\$5,457,364	\$21,085,657	\$2,792,060	\$29,335,081	63.0%
2. New Centers in Existing or New Commercial Space		50	192	102	344	9.1%
Costs (1)	\$13,703	\$682,170	\$2,635,707	\$1,396,030	\$4,713,908	10.1%
3. Expand at Existing Centers: Spaces		75	289	34	397	10.5%
Costs (2)	\$13,703	\$1,023,256	\$3,953,561	\$465,343	\$5,442,160	11.7%
4. New Small Family Child Care Homes: Spaces		100	385	272	756	20.0%
Costs (3)	\$500	\$49,782	\$192,344	\$135,836	\$377,963	0.8%
5. New Large Family Child Care Home Spaces		50	192	136	378	10.0%
Costs (4)	\$1,429	\$71,118	\$274,778	\$194,052	\$539,947	1.2%
6. Expand FCCH from 8 to 14: Spaces		25	96	34	155	4.1%
Costs (5)	\$3,333	\$82,971	\$320,574	\$113,197	\$516,741	1.1%
7. School Age at Existing Schools		-	-	679	679	18.0%
Costs (6)	\$8,333			\$5,659,846	\$5,659,846	12.1%
Total Spaces	na	498	1,923	1,358	3,780	100%
Total Costs	na	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646	100%
Average Cost by Age Group	na	\$14,798	\$14,798	\$7,919	\$12,325	

Note: This matrix of child care spaces is derived by evaluating the current supply of spaces and estimating how many facilities might expand; based on past development of spaces and the demand for child care by age group, as determined by the consultant and DCYF.

- (1) Based on actual project costs for 13 projects that have received some funding from the City of San Francisco's low-interest loan program for child care facilities (See Appendix Table B).
- (2) Expansion is assumed to cost 50% of new child care center spaces.
- (3) Assumes cost based on approximation of \$4,000 to set up a new small family child care home for 8 children.
- (4) Assumes cost based on approximation of \$20,000 to set up a new large family child care home for 14 children. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (5) Assumes cost based on approximation of \$20,000 to expand from a small to a large family child care home. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (6) Assumes \$350,000 per portable serving 36 children on average for before- and after-school care.

Sources: City of San Francisco; LINCC; Brion & Associates.

Table 11 summarizes the new child care spaces and costs and shows the average number of spaces and costs per year over the study period or 2006 to 2025. As shown, infant and preschool spaces cost more on average than school age spaces. Over the 19-year period, on average, there will be an annual need for 26 infant spaces, 101 preschool spaces, and 71 school age spaces, or an overall total of about 199 per year. The average annual cost of these spaces would be approximately \$2.6 million per year. In reality, new development will be higher or lower in any given year, and the actual child care needs would be more or less than the averages presented here.

Table 11
Summary of New Demand for Child Care and Costs 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Child Care Demand - 2006 to 2025			Total Estimated Child Care Need in Spaces	
	Birth to 23 months or Infant	2 to 5 or Preschool	6 to 13 or School Age		
Total New Demand from 2006 to 2025 for Child Care by Age	498	1,923	1,358	3,780	
City's Target as % of Total	100%	498	1,923	1,358	3,780
Average Facility Cost per Space	\$14,798	\$14,798	\$7,919	\$12,325	
Total Cost of Child Care Spaces (excluding administrative costs)	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646	
With Administrative Costs (5%)	\$7,734,994	\$29,885,752	\$11,294,183	\$48,914,928	
Average No. of Spaces per Year (1)	26	101	71	199	
Average Cost per Year (1)	\$407,105	\$1,572,934	\$594,431	\$2,574,470	

(1) Assumes growth occurs evenly over the 2006 to 2025 period; in reality, development will be higher or lower in any given year.
Sources: City of San Francisco; Brion & Associates.

7. Child Care Requirements

Table 12 calculates demand for child care spaces by type of future residential development. Assuming the City will fund 100% of the future demand for child care, it will need to fund 2,271 spaces generated by residential demand. As discussed above under **Section 3**, single resident occupancy and senior units are not assumed to generate children by definition and are therefore not included; these units are expected to make up 2-3% of the total new dwelling units in the City through 2025. There will be 45,014 new residents who are expected to generate 5,186 children 0 to 13 years old. Of these children, 44%, or 2,271 children, are assumed to need licensed care based on the methodology discussed above. This amount of children will generate a need for a total of 247,551 square feet of new child care space of various types and about 170,333 square feet of outdoor space.

Based on State child care licensing requirements, new residential units would be required to provide the following amounts of indoor and outdoor child care space:

- ◆ Single Family: 19.1 square feet of indoor space and 13.2 square feet of outdoor space;
- ◆ Multi-Family 0 to 1 bedroom: 12.6 square feet of indoor space and 8.7 square feet of outdoor space; and
- ◆ Multi-Family 2+ bedrooms: 14.4 square feet of indoor space and 9.9 square feet of outdoor space.

The breakdown is based on the persons per household factors for each of these three types of residential units. The San Francisco Planning Department estimates slightly more than 40% of new multi-family units will be larger units with 2 or more bedrooms, based on the City's housing policy requirements for most of the areas with development potential within the City.

The child care space requirement varies slightly between single family and multi-family units, based on population density or persons per household per unit. The City forecasts about 95% of the new development to be multi-family units, which include apartments, condos, live/work units, lofts, and flats. This forecast is based on historical development patterns, current applications and proposed projects, and current zoning in the City (see **Appendix C: Table C**).

Table 12
Child Care Requirement for Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total Residential Uses	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	4%	54%	41%	2%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	4%	55%	41%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	4%	55%	41%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	
Child Care Requirement in Sqft by Land Use (3)						
Building Space		247,551	9,138	135,901	102,512	
Outdoor Space		170,333	6,288	93,510	70,536	
Child Care Space Requirement per Unit (4)						
Building Space in Sqft		13.4	19.1	12.6	14.4	
Outdoor Space in Sqft		9.2	13.2	8.7	9.9	

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects Assumes an average outdoor space sqft of 75 based on state licensing requirements.

(4) If less than 14 spaces for Residential project and 24 spaces for Commercial Projects are required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.

Sources: Brion & Associates.

The demand for child care spaces from non-residential uses is calculated in **Table 13** by type of land use, for a total of 1,509 child care spaces. The child care requirements for non-residential development are expressed as square feet of child care space per 1,000 square feet of non-residential space, as shown in **Table 13** and summarized below:

- ◆ Civic, Institutional, Educational: 10.8 square feet of indoor space and 7.5 square feet of outdoor space;
- ◆ Hotel: 6.1 square feet of indoor space and 4.2 square feet of outdoor space;
- ◆ Industrial: 7.0 square feet of indoor space and 4.8 square feet of outdoor space;
- ◆ Medical: 10.8 square feet of indoor and 7.5 square feet of outdoor space;
- ◆ Office: 10.8 square feet of indoor space and 7.5 square feet of outdoor space; and
- ◆ Retail: 8.1 square feet of indoor space and 5.6 square feet of outdoor space.

- ◆ *Average: 9.3 square feet of indoor space and 6.4 square feet of outdoor space.*

The space requirements vary by land use because the employment densities vary by land use. The higher the density, or the more employees per square foot, the greater the child care requirements for that land use. The density assumptions (square feet per employee) are shown in **Appendix B: Table A** and are from the San Francisco Planning Department.

For projects that 1) are too small to create demand for a reasonably sized child care project (under 14 spaces); 2) do not want to provide child care space directly; or 3) cannot provide child care onsite, giving them the option of paying a linkage fee, which is calculated based on the space requirements shown in **Tables 12** and **13**, is suggested. This approach is consistent with the current child care fee program in the City. The proposed in-lieu or linkage fee rates are shown in **Tables 14** and **15**.

Table 13
Child Care Requirement for Non-Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item	New Non-Residential Uses						Total Non-Residential Space (Sq. Ft.)
	Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail	
Future Development: Sqft of Space (1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286
Child Care Space Demand (2)	2	53	300	86	911	157	1,509
City's Policy Target: % of Demand	100%	53	300	86	911	157	1,509
Child Care Requirement in Sqft by Land Use (3)							
Building Space	218	5,728	32,729	9,395	99,247	17,112	164,428
Outdoor Space	150	3,941	22,520	6,464	68,289	11,774	113,139
Child Care Space Requirement (4)							
CC Building Space in Sqft per 1,000 Sqft	10.8	6.1	7.0	10.8	10.8	8.1	9.3
CC Outdoor Space in Sqft per 1,000 Sqft	7.5	4.2	4.8	7.5	7.5	5.6	6.4

(1) Based on projections by SF Department of City Planning (July 2006); See Appendix Table A.

The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.

(2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.

(3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects Assumes an average outdoor space sqft of 75 based on state licensing requirements.

(4) If less than 14 spaces were required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on- or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.

Sources: Brion & Associates.

Table 14
Potential Maximum Residential Child Care Linkage Fee by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total - Residential	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	3.6%	53.9%	40.7%	1.8%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	3.7%	54.9%	41.4%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	3.7%	55%	41.4%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Cost of Child Care by Land Use (3)		\$27,992,479	\$1,033,294	\$15,367,388	\$11,591,797	
Administrative Cost Factor (4)		\$1,399,624	\$51,665	\$768,369	\$579,590	
Total Child Care Costs		\$29,392,103	\$1,084,959	\$16,135,758	\$12,171,386	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	-
Potential Maximum Linkage Fee Per Unit		\$1,519	\$2,164	\$1,422	\$1,623	
Administrative Cost per Unit	5.0%	\$76	\$108	\$71	\$81	
Total Potential Maximum Linkage Fee per Dwelling Unit		\$1,595	\$2,272	\$1,493	\$1,704	\$0

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average cost per space of \$12,325 (see Table 11).

(4) Assumes an administrative cost factor of 5.0% of total costs for administration of child care fee fund.

Sources: Brion & Associates.

Table 15
Potential Maximum Non-Residential Child Care Linkage Fee by Land Use Category
San Francisco Child Care Linkage Fee Nexus Study

Item		New Non-Residential Uses							Total Non-Residential Space (Sq. Ft.)
		Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail		
Future Development: Sqft of Space	(1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286	
Child Care Space Demand	(2)	2	53	300	86	911	157	1,509	
City's Policy Target: % of Demand	100%	2	53	300	86	911	157	1,509	
Cost of Child Care by Land Use (3)		\$24,635	\$647,654	\$3,700,938	\$1,062,325	\$11,222,604	\$1,935,011	\$18,593,167	
Administrative Cost Factor (4)		\$1,232	\$32,383	\$185,047	\$53,116	\$561,130	\$96,751	\$929,658	
Total Child Care Costs		\$25,867	\$680,037	\$3,885,985	\$1,115,442	\$11,783,734	\$2,031,761	\$19,522,825	
Potential Maximum Linkage Fee Per Sqft of Space		\$1.23	\$0.69	\$0.79	\$1.23	\$1.23	\$0.92	\$1.05	
Administrative Cost per Space	5.0%	\$0.06	\$0.03	\$0.04	\$0.06	\$0.06	\$0.05	\$0.05	
Potential Maximum Fee per Sqft of Development		\$1.29	\$0.72	\$0.83	\$1.29	\$1.29	\$0.97	\$1.06	

(1) Based on projections by SF Department of City Planning (July 2006).

The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.

(2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.

(3) Assumes an average cost per space of \$12,325 (see Table 11).

(4) Assumes an administrative cost factor of 5% of total costs for administration of child care fee fund.

Sources: Brion & Associates.

8. Proposed Maximum Child Care Linkage Fee by Land Use

The total estimated maximum residential child care linkage fees by land use are calculated in **Table 14** based on the average cost per space calculated in **Table 10**. Total costs of new required child care for residential uses equal \$29.4 million, assuming an average cost per space of \$12,325 and a 5% administration cost. Most of these costs, about \$28.3 million, are estimated to be associated with multi-family development because the City is expected to add very few single family units. These proposed fee rates represent the maximum amount that the City could charge based on nexus. These maximum fee rates are comparable with child care fees in other locations as discussed in **Chapter II: Fee Comparisons**. Many of these fees have not been updated in a number of years and/or were adopted prior to the adoption of the Mitigation Fee Act. In summary, other cities' current child care fees range from:

- ◆ \$100 to \$1,736 for a single family residence;
- ◆ \$115 to \$1,624 for a multi-family residence; and
- ◆ \$0.01 to \$1.15 per square foot for non-residential uses.

The proposed San Francisco child care residential linkage fees are as follows:

- ◆ Single Family: \$2,272 per unit;
- ◆ Multi-Family 0 to 1 bedroom: \$1,493 per unit; and
- ◆ Multi-Family 2+ bedrooms: \$1,704 per unit.
- ◆ *Average: \$1,595 per residential unit or \$1.72 per square foot of residential development.*²⁰

Table 15 calculates the maximum proposed non-residential linkage fee per square foot for non-residential land uses. The maximum fees range from \$0.72 per square foot for hotel/motel uses to \$1.29 per square foot for office, medical, and civic, institutional, educational. The cost of providing child care to non-resident employees that work in the City is divided by the total amount of expected gross building space by land use category to derive the non-residential linkage fees. The proposed fee rates are:

- ◆ Civic, Institutional, Educational: \$1.29 per square foot of building space;
- ◆ Hotel/Motel: \$0.72 per square foot of building space;
- ◆ Industrial: \$0.83 per square foot of building space;
- ◆ Medical: \$1.29 per square foot of building space;
- ◆ Office: \$1.29 per square foot of building space; and
- ◆ Retail: \$0.97 per square foot of building space.
- ◆ *Average: \$1.06 per square foot of building space.*

²⁰ The residential development factor of \$1.72 per square foot is for comparison purposes and assumes the average residential unit to be 925 square feet.

The total projected revenues funded by non-residential uses would equal \$19.5 million over the 2006 to 2025 period, including 5% for administration. These maximum fees assume an estimated amount of new non-residential development that totals approximately 17.8 million new square feet of non-residential space over existing conditions, not including development approved at Mission Bay, Visitation Valley, and Rincon Hill (see **Appendix B: Table A**).

The amount of projected new development expected from 2006 to 2025 equals about 1.1 million square feet per year on average, of which about 605,000 square feet per year would be office space. These figures exclude non-residential space associated with Mission Bay, Rincon Hill and Visitation Valley as discussed elsewhere in the report. The City's Proposition M, which regulates office development in the City, allows for up to 875,000 square feet of office space per year. Even with the inclusion of the three project areas, the projected office development would total about 481,000 square feet per year, or within the Proposition M limit.

It should be noted that for those projects that choose to provide the child care space directly and not pay the linkage fee, the administrative fee would still need to be applied to cover the cost of the City's monitoring the project's mitigation.

It is important to understand that the methodology used to estimate child care demand and the maximum linkage fee requirement and fee rate is not dependent on the total overall amount of growth expected. With other types of impact fees, this may not be the case. For instance, if the City is trying to fund \$100 million worth of needed traffic improvements, the fee rate would be derived by dividing the total costs by the expected growth in trips, after making allocation assumptions to each land use. Thus, a fixed cost is allocated over a certain amount of growth to derive the fee rate. In this example, if the growth is less, the City would receive less money than needed or the fee rate would have to be increased to reflect lower growth.

With child care, we calculated the child care need per one new dwelling unit or per employee and applied an average cost per child care space to that demand to derive the maximum fee rates by land use. If actual growth is lower than analyzed in this report, the child care fee revenue generated will be less than estimated, but the child care fee rate would remain the same. The analysis does not presume some fixed amount of child care facilities that are needed independent of growth and then allocate those costs over the new growth as with other types of impact fees. The methodology presumes a bottom-up approach to derive child care costs or facility needs. Thus, if growth is less than analyzed herein, then child care demand would be commensurate with the amount of child care fee revenue collected.

It is important to note that the Department of Children, Youth, and Their Families proposes that each land use would pay the proposed fee rate listed in the **Tables 14 and 15**, unless the new development could not be categorized into one of these categories. In that situation, the average fee would apply respectively to residential or non-residential

uses. In total, it is assumed that the new child care fee will generate over \$46.6 million (plus administrative costs) to San Francisco over the next 19 years (through 2025) assuming development occurs as projected. If development is less than projected, the child care fee revenue collected will also be less, but demand for child care will be less as well.

9. Linkage Fee Implementation

This section discusses potential funding mechanisms the City of San Francisco could adopt to implement the Child Care Linkage Fee Program and other policy and implementation issues discussed in this report.

Proposed Funding Mechanisms for Fee Program

The expected development linkage fee revenue (i.e., \$48.9 million²¹) could be allocated to a variety of “funding mechanisms” the City could adopt to provide for new child care, which are discussed below. Should the child care fee be updated as proposed, the Board of Supervisors would set the priorities, choose the funding mechanisms, and the amounts allocated to each mechanism during the annual review of the fee program with input from the Department of Children, Youth, and Their Families. The City’s current Child Care Facilities Fund, which is administered by the Low Income Investment Fund, provides a variety of funding mechanisms and programs as outlined below. With the additional funding that would be generated by this fee update, the dollar amounts available for new child care would increase. These include, but are not limited to, the following:

1. **Direct City Funding** of new projects through joint development agreements with developers, non-profit providers/agencies, or City contributions towards private projects. This type of funding would include additional requirements concerning affordability and access to spaces. The City is not expected to build and own any child care facilities outright, except perhaps those developed through the Recreation and Park Department’s programs.
2. **Low-Interest Loans** to new or existing child care providers/facilities. There are a few options here. The first is a straight low-interest loan, with no special requirements. The second option includes a low interest loan with certain requirements or restrictions. For instance, there could be a payment waiver clause: if new spaces eligible to very low income children are created and maintained, then no loan payment would be required; however, if the provider eliminates the low income spaces, the loan repayment would become due. With low interest loans, the revenue would be used to create a revolving loan fund that would regenerate itself though the low interest charged on the loans.
3. **No-Interest Loans** with income/profit limits similar to those required to qualify for housing loan funds. These funds could be offered to existing child care providers at risk of going out of business because they are losing their space or to providers that will provide infant care, subsidized care, or spaces for children with special needs, assuming they expand their facilities.

²¹ This includes the administrative costs at 5% of total fee revenue through the year 2025.

4. **Grants with Matching Requirements** to new or existing child care providers. These funds would be available if the project provides infant care along with other age groups. To the extent that providers find additional monies or grants for expanding or creating new child care spaces, these spaces would count toward the City's existing need for spaces.

5. **Outright Grants** could be available to new or existing providers that provide spaces for children with special needs and/or new subsidized spaces. However, conditions and restrictions should be placed on the child care provider that receives outright grants to ensure that not only are new spaces being provided, but other goals of the City are being met also.

The amount of money allocated to each of these funding mechanisms would be in proportion to the amount of revenue needed to put each mechanism into operation. Revolving loan funds would generate interest and the revenue would be returned to the fund; thus, less revenue would be allocated to this option. Outright grants and the provision of new centers would be more costly, and more revenue should be allocated to these mechanisms. The ultimate allocation formula should be one that maximizes the provision of new spaces with the least cost to the overall program.

10. Use of Potential Child Care Linkage Fee Revenue

The \$48.9 million estimated to be generated by the Child Care Linkage Fee will accrue through 2025. In the first few years, the City will need to establish a priority list for the above funding mechanisms. Not all of the mechanisms will be created immediately. A special Child Care Linkage Fee Fund will need to be created so that the funds can be kept separately, and any interest earned on the fee revenue will become part of the fee fund. Up to 5% of the total fee amount collected from a project would be set aside for administration of the fee program.

Once a sufficient amount of fee revenue has been generated to construct a project, the City will need to determine how it will participate in the project. If development were to occur equally over the next 19 years, the City would receive about \$2.6 million per year in child care linkage fee revenue. In reality, real estate development varies year to year in business cycles, and the amount of fee revenue collected in any given year will vary. These are a few of the potential options available to the City:

1. The City currently contracts with the Low Income Investment Fund to manage the child care fee fund. The City could continue to work with the Low Income Investment Fund to manage and implement the program.
2. The City could partner with other child care agencies and non-profits for one of their child care projects.
3. The City could team with a local provider or developer that wants to build a new center and apply the revenue toward the project.
4. The City could issue a Request for Proposals to child care providers and developers that are interested in building a new center or expanding an existing center.
5. The City could develop a grant and low-interest loan program for providers in need of funding to create new child care facilities.

**Appendix A: Summary of Child Care Demand Factors
from Recent Child Care Studies**

Appendix A
 Table 1
 Summary of Child Care Demand Factors
 San Francisco Child Care Linkage Fee Nexus Study

#	Study Name and Location	Residential/Population Demand					Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years	Labor Force Participation Rates		
1	<i>Child Care Master Plan, City of Santa Monica, June 1991</i> . Prepared by Moore Iacofano Gollisman, Inc.	40%	64%	59%	59%	56% under 6 and 73% over 6	Study breaks down ages from 0-2 years, 3-4 years, and 5-14 years.	
2	<i>Child Care Linkage Program, City of Santa Monica, November 2005</i> . Prepared by Keyser Marston Associates, Inc.					Assumes 14% of employees have children who demand child care in the City.	Fee applies to non-residential uses only.	
3	<i>A New Assessment of Child Care Need for Children Age 5 and Under in Santa Clara County</i> , Sponsored by FIRST 5 Santa Clara County and prepared by International Child Resource Institute, September 2002.	29% Center-based care, 8% FCCH; 37% total	29% Center-based care, 8% FCCH; 37% total	na	na	na	Study looks only at children ages 0 to 5 years old.	
4	<i>City of Alameda Child Care Needs</i> , February 2003 and County of Alameda <i>Meeting the Child Care Needs of Alameda County's Children</i> , February 2002, prepared by Berkeley Policy Associates. (2)	16%	33%	51%	51%	63% of families with children are considered "working" families where both parents or a single parent work.	The study employs a Conservative Demand Estimate and Broad Demand Estimate. Figures shown here are for the Conservative Demand Estimate which does not assume that every "working" family requires licensed care.	
5	<i>Who's Minding the Kids? Child Care Arrangements: Winter 2002</i> . Issued October 2005 by the U.S. Census Bureau based on the Survey of Income and Program Participation (SIPP).	24.2% in organized care; 6.2% FCCH. (3)	24.2% in organized care; 6.2% FCCH. (3)	5% in organized care; 5% in FCCH/ 16% in after-school enrichment programs.	5% in organized care; 5% in FCCH/ 16% in after-school enrichment programs.	Doesn't discuss LFPR.	This study is based on data from the Survey of Income and Program Participation (SIPP) which is collected by the U.S. Census.	

Appendix A
Table 1
Summary of Child Care Demand Factors
San Francisco Child Care Linkage Fee Nexus Study

#	Study Name and Location	Residential/Population Demand					Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years	Labor Force Participation Rates		
6	<i>Methodology: Child Care Demand</i> , from Tompkins County, NY, www.daycarecouncil.org (3)	47%-69%	47%-69%	na	na	na	This study looks at children under age 6 who require care and summarizes results from four other studies which looked at demand.	
7	<i>Primary Child Care Arrangements of Employed Parents: Findings from the 1999 National Survey of America's Families</i> , 2002, The Urban Institute.	73%	73%	80%	80%	na	These percentages refer to the number of children receiving care, both licensed and unlicensed.	
8	<i>The Demand and Supply of Child Care in 1990</i> , Joint Findings of the National Child Care Survey 1990 and A Profile of Child Care Settings, 1991.	na	na	na	na	The report finds that 83% of children 0 to 5 years old have working parents, which is much higher than labor force participation rates we have found.	na No demand estimates are stated.	
9	<i>Linking Development and Child Care: A Toolkit for Developers and Local Governments</i> , 2005, Prepared for Local Investment in Child Care (LINCC) by Bay Area Economics. Mission Bay Project Only	29.9% for center-based care and FCCCH care	29.9% for center-based care and FCCCH care	na	na	Does not appear to use LFPRs.	This study also looks at employee demand, which most studies do not consider.	
10	<i>Survey of Parents/Guardians and Childcare Providers</i> , January 2006, Conducted for the City of San Jose and the San Jose Public Library, by Godbe Research.	28%	28%	na	na	This is a survey of actual use patterns and not an estimate of demand, therefore LFPRs are irrelevant.	Overall, 43% of respondents said that they used child care, but that included care provided by anyone who was not the parent/guardian.	

Appendix A
 Table 1
 Summary of Child Care Demand Factors
 San Francisco Child Care Linkage Fee Nexus Study

#	Study Name and Location	Residential/Population Demand				Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)					
		0-1 years	2-5 years	6-9 years	10-13 years		
	<i>Child Care and Housing Linkage Research Study</i> , June 2003, Prepared for the County of San Mateo Office of Housing in conjunction with the San Mateo Child Care Coordinating Council, by Brion & Associates with Vermazza Wolfe, Inc.	75%	100%	38%	25%	LFPRs vary by community area.	This study looks at a variety of policies and programs that can be implemented in order to increase the supply of child care at the same time new housing is developed.
1.1							
	<i>Kern County Child Care Policy Analysis and Strategy Study</i> , October 2005, prepared by Brion & Associates.	37%	50%	50%	25%	LFPRs vary by community area.	
1.2							
	<i>City of Palm Desert Child Care Facilities Impact Fee Nexus Study</i> , August 2005, prepared by Brion & Associates.	37%	80%	50%	25%	53% for children under the age of 6 years and 59% for children over 6 years old.	This study looks at both residential and employment demand, although a fee was only established for non-residential development, as requested by the City.
1.3							
	<i>City of South San Francisco Child Care Facilities Impact Fee Nexus Study</i> , September 2001, prepared by Brion & Associates.	100%	100%	100%	100%	na	Data was taken directly from the then current Needs Assessment, which assumed 100% of children with working parents needed licensed care. The city however targeted 50% of this figure because it felt that some parents desire and use unlicensed care.
1.4							
	<i>PROPOSED Alameda County Child Care In-Lieu Fee Study</i> , May 2007, prepared by Brion & Associates.	37%	75%	38%	38%	60% for children under the age of 6 years and 66% for children over 6 years old.	Study looks at unincorporated areas of Alameda County and calculates demand for both residential and non-residential uses.
1.5							

(1) Represents demand for licensed care of children with working parents; and not the percentage of total children unless otherwise stated.
 (2) The City of Alameda based their child care needs assessment on the study done for Alameda County in 2002; therefore their demand factors are the same.
 (3) Organized care includes day care center, nursery or preschool, or Head Start/school programs.
 Source: Compiled by Brion & Associates.

Appendix B: Child Care Model Background and Detailed Supporting Data

**Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study**

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs -2006-2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
	<i>a</i>			<i>b</i>		<i>c</i>			
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

(1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).

Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.

(2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.

(3)

Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates. The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.

(4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.

(5) The totals above are off by one job from the totals in Table 1 due to rounding.

(6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study

Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006-2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MBRH, VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528 (6)	2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	383,776	2,103,296	33,983,378	32,041,778
Industrial/PDR	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

LO	Loan #	Borrower	Sponsor	Project Name	Project Costs	Costs Adjusted for Inflation per CPI for Region (1)	Square footage	Square footage cost	Inflation Adjusted Square Footage Cost	Total Child Care Spaces
BP	10288-14	San Francisco Women's Centers, Inc.	San Francisco Women's Centers, Inc.	SAN FRANCISCO WOMEN'S CENTER	\$333,457	\$398,070	1,485	\$225	\$268	23
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	THE FAMILY SCHOOL	\$213,568	\$247,654	2,600	\$82	\$95	23
BP	10299-14	Frandelja Enrichment Center	Frandelja Enrichment Center	FRANDELJA ENRICHMENT CENTER	\$716,104	\$842,452	6,700	\$107	\$126	40
DL	10300-14	1st Place 2 Start	Family Service Agency Of San Francisco	1ST PLACE 2 START	\$335,026	\$397,466	1,530	\$219	\$260	40
DL	10295-14	Wu Yee Children's Services	Wu Yee Children's Services	CHINATOWN EARLY HEAD START	\$1,382,290	\$1,659,536	6,700	\$206	\$248	40
DL	10296-14	Portola Family Connection Center, Inc.	Portola Family Connection Center, Inc.	PORTOLA FAMILY CONNECTION	\$1,396,280	\$1,642,636	7,500	\$186	\$219	63
DL	10311.02-14	Compass Community Services	Compass Community Services	TENDERLOIN CHILD CARE CENTER	\$3,855,900	\$4,450,496	11,277	\$342	\$395	63
BP	10310.02-14	Mission Neighborhood Centers, Inc	Mission Neighborhood Centers, Inc	ORLANDO CEPEDA PLACE CHILDREN'S CENTER	\$1,042,313	\$1,137,903	6,900	\$151	\$165	40
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	JEAN JACOBS CHILDCARE CENTER	\$1,018,859	\$1,124,240	6,700	\$152	\$168	40
BP	10298-14	899 Guerrero Street, Inc.	Catholic Charities Diocese Of San Diego	ST. JOSEPH'S VILLAGE	\$1,547,700	\$1,925,032	5,000	\$310	\$385	121
DL	10304-14	Visitacion Valley Community Center	Visitacion Valley Community Center	HERITAGE HOMES CHILDREN'S CENTER	\$634,323	\$698,468	3,414	\$186	\$205	44
DL	10303.02-14	Visitacion Valley Community Center	Visitacion Valley Community Center	JOHN KING CHILD AND FAMILY DEVELOPMENT CENTER	\$1,030,000	\$1,136,533	3,518	\$293	\$323	42
DL	10324.02-14	Cross Cultural Family Center	Cross Cultural Family Center	ONE CHURCH CHILD DEVELOPMENT CENTER	\$868,918	\$947,624	2,775	\$313	\$341	27
Totals, All Projects					\$14,374,738	\$16,608,111	66,099	\$213	\$246	606
Averages, All Projects					\$1,105,749	\$1,277,547	5,085	\$213	\$246	47

(1) For CPI factors see http://data.bls.gov/PDO/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA422SA0

Sources: Low Income Investment Fund - San Francisco; Brion & Associates.

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

L.O	Loan #	Borrower	Average Cost per Space in 2006 \$\$	Average Sqft per Child Care Space	Type of Child Care Slots	Loan closing dates	CPI Index (1)	Change in CPI to August 2006 (1)	% Change
BP	10288-14	San Francisco Women's Centers, Inc.	\$17,307	65	23 Preschoolers	2/1/2000	176.5	34.2	19.4%
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	\$10,768	113	23 Preschoolers	8/23/2000	181.7	29	16.0%
BP	10299-14	Frandelja Enrichment Center	\$21,061	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	5/25/2000	179.1	31.6	17.6%
DL	10300-14	1st Place 2 Start	\$9,937	38	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	3/28/2000	177.6	33.1	18.6%
DL	10295-14	Wu Yee Children's Services	\$41,488	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	1/13/2000	175.5	35.2	20.1%
DL	10296-14	Portola Family Connection Center, Inc.	\$26,074	119	18 Preschooler, 45 school age = 63	5/4/2000	179.1	31.6	17.6%
DL	10311.02-14	Compass Community Services	\$70,643	179	27 infant toddlers, 36 preschool = 63	9/28/2000	182.55	28.15	15.4%
BP	10310.02-14	Mission Neighborhood Centers, Inc	\$28,448	173	40 pre-school	4/19/2002	193	17.7	9.2%
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	\$28,106	168	40 pre-school	1/25/2002	190.95	19.75	10.3%
BP	10298-14	899 Guerrero Street, Inc.	\$15,909	41	21 infants, 28 toddlers, 48 preschool, 24 school age = 121 total	2/1/1999	169.4	41.3	24.4%
DL	10304-14	Visitation Valley Community Center	\$15,874	78	20 infants & toddlers, 24 Preschooler=44 total	9/3/2001	191.35	19.35	10.1%
DL	10303.02-14	Visitation Valley Community Center	\$27,060	84	18 infant toddlers, 24 preschoolers =42 total	1/7/2002	190.95	19.75	10.3%
DL	10324.02-14	Cross Cultural Family Center	\$35,097	103	27 infant toddlers	6/28/2002	193.2	17.5	9.1%
Totals, All Projects			na	na					
Averages, All Projects			\$27,406	109					

**Appendix B: Table C
Historical and Current Housing Unit Development in San Francisco by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study**

Year	All		MF		MF		MF		MF		Total		MF		Total			
	SF	Units	2 unit	3-9 unit	10-19 unit	20+ unit	MF	Units	MF	Units	MF	Units	Sr/SRO	Units	SF	Units	Sr/SRO	Units
<u>HISTORIC</u>																		
produced 2001	73	108	297	249	892	1,619	73	1,485	1,619	61	73	1,485	1,619	61	73	1,485	1,619	100%
	5%	7%	18%	15%	55%	100%	5%	92%	100%	4%	5%	92%	100%	4%	5%	92%	100%	100%
produced 2002	59	134	358	230	1,479	2,260	=	2,260	=	61	59	2,140	2,260	61	59	2,140	2,260	100%
	3%	6%	16%	10%	65%	100%	3%	95%	100%	3%	3%	95%	100%	3%	3%	95%	100%	100%
produced 2003	67	104	176	152	2,231	2,730	=	2,730	=	62	67	2,601	2,730	62	67	2,601	2,730	100%
	2%	4%	6%	6%	82%	100%	2%	95%	100%	2%	2%	95%	100%	2%	2%	95%	100%	100%
produced 2004	55	84	91	120	1,430	1,780	=	1,780	=	65	55	1,660	1,780	65	55	1,660	1,780	100%
	3%	5%	5%	7%	80%	100%	4%	93%	100%	4%	3%	93%	100%	4%	3%	93%	100%	100%
<u>CURRENT</u>																		
authorized 2005	SF	2 unit	3-9 unit	10-19 unit	20+ unit	5,571												
	82	50	32	172	5,235	5,571												
	1%	1%	1%	3%	94%	100%												
produced 2005	46	38	117	38	1,633	1,872	=	1,872	=	235	46	1,591	1,872	235	46	1,591	1,872	100%
	2%	2%	6%	2%	87%	100%				13%	2%	85%	100%	13%	2%	85%	100%	100%
Average Produced																		
2001 to 2005	60	94	208	158	1,533	2,052		2,052		97	60	1,895	2,052	97	60	1,895	2,052	100%
<u>RECOMMENDED DISTRIBUTION FOR GROWTH 2006 TO 2025</u>																		
Average (past 4yrs)	Sr/SRO	SF	MF	Total														
Recommended	5%	3%	92%	100%														
Housing Distribution	735	490	23,280	24,505														

* Note: All numbers from San Francisco Planning Department: '01-04 numbers from Housing Inventory 2001-2004 published July 2005, and '05 numbers from Housing Inventory 2005 pending

Sources: San Francisco Planning Department; Brion & Associates.

Appendix B: Table D
San Francisco Growth Forecast by Age, 0 to 13 and Total Population (1)
Department of Finance P-3 Reports
San Francisco Child Care Linkage Fee Nexus Study

Age	2000 Total	Children as % of Pop.	2006 Total	Children as % of Pop.	2010 Total	Children as % of Pop.	2015 Total	Children as % of Pop.	2020 Total	Children as % of Pop.	2025 Total	Children as % of Pop.	Averages 2010-2025
0	7,224	0.9%	9,287	1.2%	8,929	1.1%	6,273	0.8%	4,830	0.6%	4,773	0.6%	0.6%
1	6,398	0.8%	8,872	1.1%	9,281	1.1%	6,868	0.8%	4,892	0.6%	4,737	0.6%	0.6%
2	5,927	0.8%	8,372	1.0%	9,408	1.2%	7,454	0.9%	4,974	0.6%	4,698	0.6%	0.6%
3	5,993	0.8%	8,026	1.0%	9,334	1.1%	7,953	1.0%	5,190	0.6%	4,671	0.6%	0.6%
4	5,844	0.7%	8,013	1.0%	9,067	1.1%	8,354	1.0%	5,577	0.7%	4,666	0.6%	0.6%
5	5,963	0.8%	8,393	1.0%	8,638	1.1%	8,714	1.1%	6,065	0.7%	4,691	0.6%	0.6%
6	5,974	0.8%	7,181	0.9%	8,132	1.0%	9,055	1.1%	6,647	0.8%	4,746	0.6%	0.6%
7	5,970	0.8%	6,327	0.8%	7,778	1.0%	9,175	1.1%	7,226	0.9%	4,825	0.6%	0.6%
8	6,127	0.8%	5,842	0.7%	7,748	0.9%	9,095	1.1%	7,717	0.9%	5,040	0.6%	0.6%
9	6,087	0.8%	5,905	0.7%	8,111	1.0%	8,816	1.1%	8,104	1.0%	5,425	0.7%	0.7%
10	6,220	0.8%	5,754	0.7%	6,898	0.8%	8,393	1.0%	8,469	1.0%	5,920	0.7%	0.7%
11	6,116	0.8%	5,920	0.7%	6,074	0.7%	7,907	1.0%	8,829	1.1%	6,518	0.8%	0.8%
12	6,066	0.8%	6,015	0.8%	5,650	0.7%	7,595	0.9%	8,991	1.1%	7,126	0.9%	0.9%
13	5,897	0.8%	6,048	0.8%	5,785	0.7%	7,617	0.9%	8,961	1.1%	7,653	0.9%	0.9%
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	9.3%
0-1	13,622	1.7%	18,159	2.3%	18,210	2.2%	13,141	1.6%	9,722	1.2%	9,510	1.2%	1.5%
2-5	23,727	3.0%	32,804	4.1%	36,447	4.5%	32,475	3.9%	21,806	2.7%	18,726	2.3%	3.3%
6-13	48,457	6.2%	48,992	6.1%	56,176	6.9%	67,653	8.2%	64,944	7.9%	47,253	5.8%	7.2%
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	12.1%
Total Population	781,174	100.0%	800,244	100.0%	816,230	100.0%	825,614	100.0%	820,545	100%	810,595	100%	100%

(1) The actual numbers of children and total population from DOF is not used in the analysis but rather the relationships between children and total population.

The percentages calculated above are applied to the City Planning Department's forecast of population growth.

Sources: California Department of Finance; Brion & Associates.

**Appendix B: Table E
 Cost of Family Child Care Home Expansions Funded with Existing Child Care Fee Grants
 San Francisco Child Care Linkage Fee Nexus Study**

<i>Project & Year</i>	<i>Project Budget</i>	<i>Grant/Loan Amount</i>	<i>Slots Created</i>	<i>Slots Enhanced</i>	<i>Slots Preserved</i>	<i>Total Slots</i>	<i>Cost per Space</i>	<i>Notes</i>
FY 04								
#04-1	\$4,434	\$3,500	5		7	12	\$887	Purchase of sprinkler heads for Large FCC Fire Regulations
#04-2	\$27,500	\$12,500	6	8		14	\$4,583	Permits and Sprinkler System for Expansion- includes \$15,000 below for Fire Clearance
FY06 Subtotal	\$31,934	\$16,000	11	8	7	26	\$2,903	
FY 05								
#05-1	\$15,159	\$4,500	6	7		13	\$2,527	Purchase of equipment to meet the needs of larger group of children following expansion.
#05-2	\$20,000	\$6,000	6	6		12	\$3,333	Creation of a second exit to obtain fire clearance for expansion
#04-2*R		\$4,500	R	R		R		Replacement of electric garage door with manually operated door in order to receive fire clearance for expansion
FY05 Subtotal	\$35,159	\$15,000	12	13	0	25	\$2,930	
FY 06								
#06-1	\$15,082	\$15,000	5		7	12	\$3,016	To buy equipment and renovate first floor to meet Licensing and Fire Department requirements for expansion
FY06 Subtotal	\$15,082	\$15,000	5	0	7	12	\$3,016	
	\$82,175	\$46,000	28	21	14	63	2,935	
	\$20,544							

*R = Repeated - provider received a previous grant, slots not counted to avoid duplicates

Sources: Local Income Investment Fund, Child Care Capital Facilities Fund; Brion & Associates.

Appendix B: Table F

Number of Children and Total Population for Mission Bay, Rincon Hill and Visitation Valley for 2006 and 2006 to 2025

San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Total Population All Ages	Population by Age (1)			
		0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)	Total 0-13
<u>Children as of 2006 (only MB, RH, VV)</u>					
Children as % of Population by Age Group (1)		2.3%	4.1%	6.1%	12.5%
Total Population at 2006 (2)	16,448	373	674	1,007	2,054
Total Estimated Employed Residents in City	41%	6,819 (3)			
SF Employed Residents Working					
Outside SF (5)	23%	1,573			
Those Needing Child Care Outside SF (5)	5%	199 (4)	99	99	
Net Residents		16,249			
Estimated Children at 2006 (5)		274	575	1,007	1,856
<u>New Children 2006-2025 (only MB, RH, VV)</u>					
Children as % of Population by Age Group (6)		1.5%	3.3%	7.2%	12.1%
Net New Population	9,763				
Senior and SRO Population	195				
Net Population with Children	9,568				
Estimated Children of New Residents		148	320	689	1,157
New Employed Residents (7)	50%	4,767			
New Employed Residents Working Outside SF	23%	1,100			
Those Needing Child Care Outside SF (5)	5%	55	27	27	55
Net New Residents Possibly Needing Care	9,513				
Net New Children 2006 to 2025		120	292	689	1,102
<u>Total Children at 2025 (only MB, RH, VV)</u> (8)					
Total Population	26,211				
Senior and SRO Population	786				
Net Population with Children	25,425				
Children as Percent of Total Population at 2025		1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents		298	587	1,482	2,368
New Employed Residents	50%	12,667			
New Employed Residents Working Outside SF	23%	2,922			
Those Needing Child Care Outside SF (5)	5%	146	73	73	146
Total Residents Possibly Needing Care	25,279				
Total Children 2025		225	514	1,482	2,222

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).

(2) For Mission Bay, Rincon Hill and Visitation Valley areas only.

(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.

(4) Based on non-resident employee demand for child care in SF. See Table 6.

(5) Based on Journey to Work data - see Table 5 and Table 6.

(6) Based on total population as estimated times the average percentage of children per age group from above.

(7) Based on forecasts of Employed Residents at 2025 by ABAG.

(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.

Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Appendix B: Table G
Future Demand for Child Care for Mission Bay, Rincon Hill, and Visitation Valley: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Future Growth - 2006 to 2025	New Child Care Demand by Age					Total. 0 to 13 Years Old
	New Population with Children - 2006 to 2025	Population & Employment	% Distribution or Infant	Birth to 24 Mos.	2 to 5 or Preschool	
Future Child Care Need						
New Population with Children - 2006 to 2025	(1) 9,513 (see Table 3)					
Resident Children Potentially Needing Care						1,102
Estimated Number of Children by Age	(2) (see Table 3)	120	292	689		
Average Labor Force Participation Rates	(3)	57.6%	57.6%	63.2%		
Children With Working Parents		69	168	436		674
% Children Needing Licensed Care	(4)	37%	100%	66%		72%
Children Needing Licensed Care		26	168	289		483
Percent of Children by Age Needing Care		21%	58%	42%		44%
Non-Resident Employee's Children Needing Care	(5)	205	616			822
<i>Distributed by Land Use Category</i>						
Civic, Institutional, Education		4,353	26%	54	163	218
Hotel-Motel		-	0%	-	-	-
Industrial/PDR		6	0%	0	0	0
Medical		10,460	64%	131	392	523
Office		1,286	8%	16	48	64
Retail		335	2%	4	13	17
Total Future Employee Demand for Child Care		16,440	100%	205	616	822
Total New Demand for Child Care Spaces				231	785	1,305
Percent Distribution				18%	60%	100%

(1) Represents population associated with Mission Bay, Rincon Hill and Visitation Valley.
(2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
(3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
(4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care.
Percentages are based on a detailed review of 12 other child care studies, including impact fee studies.
Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF.
School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
(5) Includes demand from employees that work in these three areas but live elsewhere. This analysis assumes one child per employee that needs care at the rate of:
25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Appendix C: Land Use Data and Growth Forecasts

APPENDIX C-1
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Citywide Forecast

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	<u>350</u>	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-2
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Mission Bay Area Only

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *

III. Total at 2025

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-3
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Rincon Hill Area Only

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	2,835	1.89	1,500 *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	350	33,346 *
<i>Subtotal</i>	17,811	242	4,313,604 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	4,810	1.55	3,100 *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	1,172	240	281,610 *

III. Total at 2025 [5]

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	7,645	1.66	4,600 *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	18,983	242	4,595,214 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-4
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Visitation Valley Area Only

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	2,875	3.80	757 *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100 *</i>
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	636	350	222,679 *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355 *</i>

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	658	4.80	137 *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276 *</i>
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	58	350	20,199 *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321 *</i>

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	3,534	3.95	894 *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376 *</i>
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	694	350	242,878 *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676 *</i>

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-5
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Total Forecast without Mission Bay, Rincon Hill and Visitation Valley Areas

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.09</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
	Single Family	1,671	3.500
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
	Single Family	286,921	3.10
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Appendix E:
Citywide Growth Forecast

CITY-WIDE DEVELOPMENT IMPACT FEE STUDY GROWTH FORECAST

PREPARED FOR THE
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA

JANUARY 7, 2008

CONSULTING SERVICES PROVIDED BY:

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The purpose of this report is to describe and document employment and population forecasts developed for the City-wide Development Impact Fee Study. Brion & Associates, working with other team members, the City Controller's Office, and the Planning Department prepared this forecast specifically for the City-wide Fee Study. The growth forecasts represent a moderate growth scenario that considers both historical growth in the City and future growth as forecast by an independent economic firm, Moody's Economy.com.

This report describes the moderate growth scenario used in each of the fee nexus studies, explains its major assumptions and sources of data, and provides the rationale for its use. The growth forecasts for employment, households, and population are derived from an employment forecast by Moody's Economy.com.

Employment Growth

Moody's Economy.com forecasts the City's employment base will grow at an average annual rate of 0.77% per year from 2006 to 2025. **Exhibit 1** summarizes this forecast, broken down by industries that use office, retail, warehouse, high tech space, and other space. This forecast is also broken down by total jobs. Historic employment growth figures are also shown from 1980 to 2005 in five year increments.

Historical growth from Moody's compares to the data provided by the San Francisco Controller's Office, which is from the California Economic Development Department. On an annual basis, from 1995 to 2005, there is less than a one percent difference in the two employment counts for any given year.

As shown in **Exhibit 1**, the City has a total of about 533,220 jobs as of 2006, which compares nicely to the City Planning Department's estimate of about 536,224 jobs for 2006. For this analysis, we are using the City's land use database by Traffic Analysis Zone and Neighborhood to estimate 2006 data for this new forecast.¹ Approximately 57% of the Moody's forecast is comprised of office related jobs, 22% retail and 15% high tech. Very little growth is forecast in warehouse related jobs (less than one percent), and the remaining 6% is "other" jobs.

As shown in **Exhibit 2**, the forecast applies the 0.77% average annual growth rate to existing 2006 employment for an estimated total of 620,031 total jobs at 2025 or a net increase of 83,807 new jobs over the 19-year period.

For job growth in the three special planning areas, the analysis assumes that employment uses in Mission Bay, Rincon Hill and Visitation Valley will reach build-out by 2025. Visitation Valley and Rincon Hill do not have a significant amount of planned new employment growth over the existing base. In contrast, Mission Bay includes a large amount of new non-residential development potential and is poised nicely to capture a significant amount of future employment growth in the City.

¹ The City's estimate of 2006 development is based on the Planning Department's Land Use Allocation Study – 2002, and extrapolates 2006 figures based on the average annual growth expected from 2000 to 2025.

Population Growth

The analysis considers population growth in relation to employment growth, given that population growth requires some job growth and *vice versa*. For the population forecast we have reviewed the relationship between jobs and population from the new *ABAG 2007 Projections*, which forecast approximately 2.0 jobs per each new resident between 2006 and 2025. However, population growth in San Francisco is not solely driven by employment growth. Thus, the analysis uses a jobs-per-population factor of 1.5, which presumes that some portion of population growth will not be employment-dependent. To estimate expected population growth dependant on new jobs, we have divided by 1.5 for an estimated increase in population of about 55,871 residents. This forecast of population is 62% of ABAG's new 2007 projection for population growth through 2025.

Growth in Housing Stock

For housing units, the new population forecast is divided by persons per household factors from Department of City Planning, which vary by project area and the city as a whole. Based on this approach, the City would add about 24,505 new housing units or about 1,290 units per year on average. Historical dwelling unit growth averaged about 2,052 units per year from 2001 to 2005. Thus, our forecast would be about 63% of that recent average annual growth rate in units and reflects the recent slow down in the residential market.

For the three project areas that will be exempt from the new impact fees, the analysis does not assume all of the residential uses will be developed in Mission Bay and Visitation Valley. Based on discussions with Planning Staff we have developed the following assumptions:

- ◆ Mission Bay: 100% employment uses and about 65% of residential uses achieve build-out by 2025.
- ◆ Rincon Hill: 100% of both employment and residential uses achieve build-out by 2025.
- ◆ Visitation Valley: 100% of employment and 90% of residential uses achieve build-out by 2025.

Growth of Non-Residential Space

Exhibit 3 summarizes the employment forecast by land use category, area and year, and then converts it into square feet of space by land use category. Shown first are 2006 estimates of existing jobs by land use category with and without Mission Bay, Rincon Hill and Visitation Valley. Net new jobs through 2025 are also shown by land use category. These jobs are converted into estimates of building space based on average square feet per employee assumptions in the second half of the table.

The net new building square feet is used to calculate the non-residential impact fee. As shown, the City is expected to add about 1.1 million square feet of space per year on average over the forecast period for a total of 21.6 million square feet of total non-residential space. Of this amount, office space is expected to total about 11.5 million square feet. Proposition M which controls and regulates how much office space can be developed per year in the City limits office space per year to 875,000 square feet per year.² Our average annual expected office growth would equal about 605,000 square feet per year or less than the Proposition M

² Per Sarah Dennis, San Francisco Planning Department, correspondence dated March 9, 2007.

limit. The three project areas of Mission Bay, Rincon Hill and Visitation Valley would add about 3.8 million square feet of this growth in space and this space would be exempt from the impact fees.

Comparison of the Moderate Growth Scenario to Other Growth Forecasts

Exhibit 4 presents the comparison of all the forecasts reviewed to date for this effort. These include:

- ◆ ABAG 2005 Projections
- ◆ ABAG 2007 Projections
- ◆ Planning Department's Land Use Study Forecast, 2000 to 2035
- ◆ Historical Forecast, based on Controller's Office data on historical growth in the City
- ◆ Moody's Forecast

As shown, the Moody's forecast jobs per population factor is less than ABAG's forecast but higher than the Historical forecast, and much lower than the Planning Department's forecast. This table also estimates the average annual growth rates implied in each forecast by demographic category.

Exhibit 5 presents a summary of historical growth from the California Department of Finance and Moody's employment data for the City and compares it to the future forecast proposed for the fee studies. Jobs per resident or population are shown by five year intervals, and for 2006 and 2025. As shown, the job per resident factors implied in the forecast and planning data are similar to historical figures for the City. The data for 2005 and 2006 are lower than other years, due to the impacts of the dot.com crash, where the City lost a significant amount of jobs relative to population.

Development by Land Use by Year and Area

Exhibits 6-10 present the forecast for the entire City, each of the three special planning areas (Mission Bay, Rincon Hill and Visitation Valley) and the entire city net of the three planning areas. In each table residential and non-residential development, and population, housing units and employment is shown by year. The analysis is presented for 2006, 2006 to 2025, and total at 2025.

Exhibit 1
Historical and Projected Employment
for San Francisco: 1980 to 2025
from Moody's Economy.com
San Francisco Citywide Development
Impact Fee Study

Employment Category	Historical Employment					Projected Employment					Net Change				
	1980	1985	1990	1995	2000	2005	2006	2010	2015	2020	2025	1980-2005 Amount/P ercent	2006-2025 Amount/Pe rcent	2006-2025 Avg. Annual % Growth	1980-2025 Avg. Annual % Growth
Office Employment	224.53	227.59	226.09	208.90	253.36	189.44	191.18	201.68	214.29	226.22	238.96	-35.08	-0.68%	47.78	1.18%
Net Growth	3.07	-1.51	-17.18	-7.6%	44.46	-63.92	1.73	10.50	12.61	11.93	12.74	-15.6%	-15.6%	25.0%	
% Growth	1.4%	-0.7%	-7.6%	-21.3%	21.3%	-25.2%	0.9%	5.5%	6.3%	5.6%	5.6%	-15.6%	-15.6%	25.0%	
Retail Employment	94.13	95.97	99.70	95.71	118.36	106.22	107.88	111.68	115.40	121.00	126.61	12.09	0.48%	18.73	0.85%
Net Growth	1.84	3.73	-3.99	-3.99	22.65	-12.14	1.66	3.80	3.72	5.60	5.61	12.8%	12.8%	17.4%	
% Growth	2.0%	3.9%	-4.0%	-4.0%	23.7%	-10.3%	1.6%	3.5%	3.3%	4.8%	4.6%	12.8%	12.8%	17.4%	
Warehouse Employment	40.44	35.53	31.24	23.13	22.90	19.99	20.42	20.82	20.90	20.82	20.45	-20.45	-2.78%	0.03	0.01%
Net Growth	-4.90	-4.30	-8.11	-8.11	-0.23	-2.91	0.43	0.40	0.08	-0.08	-0.37	-50.6%	-50.6%	0.2%	
% Growth	-12.1%	-12.1%	-26.0%	-26.0%	-1.0%	-12.7%	2.2%	2.0%	0.4%	-0.4%	-1.8%	-50.6%	-50.6%	0.2%	
High Tech Employment	21.69	22.33	19.32	20.21	41.48	22.34	22.39	25.07	28.59	31.68	34.53	0.65	0.12%	12.14	2.31%
Net Growth	0.64	-3.01	0.89	0.89	21.27	-19.14	0.05	2.68	3.52	3.09	2.86	3.0%	3.0%	54.2%	
% Growth	3.0%	-13.5%	4.6%	4.6%	105.3%	-46.1%	0.2%	12.0%	14.0%	10.8%	9.0%	3.0%	3.0%	54.2%	
Other Employment	189.57	184.06	191.08	180.78	170.92	188.11	191.36	195.91	195.43	196.37	196.01	-1.46	-0.03%	4.65	0.13%
Net Growth	-5.51	7.02	-10.30	-9.86	17.19	17.19	3.25	4.55	-0.47	0.94	-0.36	-0.8%	-0.8%	2.4%	
% Growth	-2.9%	3.8%	-5.4%	-5.4%	10.1%	10.1%	1.7%	2.4%	-0.2%	0.5%	-0.2%	-0.8%	-0.8%	2.4%	
Total Employment (1)	570.36	565.49	567.41	528.72	607.02	526.10	533.22	555.16	574.62	596.09	616.56	-44.26	-0.32%	83.34	0.77%
Net Growth	-4.87	1.93	-38.69	-38.69	78.30	-80.92	7.12	21.93	19.46	21.47	20.48	-7.8%	-7.8%	15.6%	
% Growth	-0.9%	0.3%	-6.8%	-6.8%	14.8%	-15.3%	1.4%	4.1%	3.5%	3.7%	3.4%	-7.8%	-7.8%	15.6%	

(1) Includes total payroll employment, including non-BLS sectors.
 From Moody's Economy.com for the City and County of San Francisco.

Sources: Moody's Economy.com; Brion & Associates.

Exhibit 2
Projected Growth in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item	Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
		Amount (3)	Avg. Annual Growth Rate			
<u>Total Population</u> (1)	777,121	55,871	0.00%		832,992	na
Visitation Valley	11,501	1,242	-99.94%		12,743	90%
Mission Bay	2,112	3,711	5.48%		5,823	65%
Rincon Hill	<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal	16,448	9,763			26,211	
Total w/out MB/RH/V (2)	760,673	46,108	-0.02%		806,781	na
<u>Total Housing Units</u> (1)	341,052	24,505	0.52%	2.28	365,557	na
Visitation Valley	3,100	276	0.88%	4.80	3,376	91%
Mission Bay	1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill	<u>1,500</u>	<u>3,100</u>	-99.94%	1.55	<u>4,600</u>	100%
Subtotal	5,800	5,359			11,159	
Total w/out MB/RH/V (2)	335,252	19,146	0.51%	2.09	354,399	na
<u>Total Employment</u> (1)	536,224	83,807	0.00%		620,031	na
Visitation Valley	1,268	149	0.46%		1,417	100%
Mission Bay	8,901	15,118	0.74%		24,020	100%
Rincon Hill	<u>17,811</u>	<u>1,172</u>	0.38%		<u>18,983</u>	100%
Subtotal	27,981	16,440			44,420	
Total w/out MB/RH/V (2)	508,243	67,367	-0.03%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by

Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

**Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study**

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs - 2006-2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
	<i>a</i>	<i>b</i>	<i>c</i>						
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

(1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).

Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.

(2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.

(3)

Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates. The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.

(4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.

(5) The totals above are off by one job from the totals in Exhibit 1 due to rounding.

(6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study

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Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006-2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MB, RH, VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528 (6)	2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	385,776	2,103,296	33,983,378	32,041,778
Industrial/PDR	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Exhibit 4
Comparison of Four Growth Projections
in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Total At Buildout 2025	Average Annual Growth Rate
			Amount	% Change		
Population						
ABAG 2005	(1)	800,540	89,860	11.2%	890,400	0.56%
ABAG 2007	(2)	798,380	90,020	11.3%	888,400	0.56%
City Planning	(3)	777,221	57,327	7.4%	834,448	0.37%
Historical	(4)	777,221	57,327	7.4%	834,448	0.37%
Moody's	(5)	777,221	55,871	7.2%	832,992	0.37%
Households						
ABAG 2005	(1)	340,126	43,524	12.8%	383,650	0.64%
ABAG 2007	(2)	340,802	36,248	10.6%	377,050	0.53%
City Planning	(3)	341,052	25,159	7.4%	366,211	0.38%
Historical	(4)	341,052	25,159	7.4%	366,211	0.38%
Moody's	(5)	341,052	24,505	7.2%	365,557	0.37%
Employment (1)						
ABAG 2005	(1)	585,450	190,650	32.6%	776,100	1.49%
ABAG 2007	(2)	553,090	179,930	32.5%	733,020	1.49%
City Planning	(3)	536,225	224,712	41.9%	760,937	1.86%
Historical	(4)	525,466	20,310	3.9%	545,776	0.20%
Moody's	(5)	536,224	83,807	15.6%	620,031	0.77%
Jobs per Population						
ABAG 2005		0.73	2.12	290.1%	0.87	0.93%
ABAG 2007		0.69	2.00	288.5%	0.83	0.92%
City Planning		0.69	3.92	568.2%	0.91	1.48%
Historical		0.68	0.35	52.4%	0.65	-0.17%
Moody's		0.69	1.50	217.4%	0.74	0.40%

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

Note: City estimate of households is actually housing units and ABAG is households. The difference could be related to vacancies

(1) Based on ABAG Projections 2005.

(2) Based on the recently released ABAG Projections 2007.

(3) City data and projections are from SF Planning Department as provided by David Taussig & Associates, Inc. (July 2006).

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

(4) Based on historical average annual growth rate for employment of .2% and applied to existing employment; population and housing is the same as for Planning forecast.

(5) Based on employment forecast for 2006 to 2025 by Moody's Economy.com.

Population and households estimates are based on historical housing growth, and comparison of population to employment by Brion & Associates.

Sources: ABAG; San Francisco Planning Department; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 5
Historical Population Growth for San Francisco: 1990 to 2005
San Francisco Citywide Development Impact Fee Study

	Historical Population & Employment (1)				Moderate Forecast (2)	
	1990	1995	2000	2005	2006	2025
Total Population	723,959	751,899	779,124	792,952	777,121	832,992
Net Growth		27,940	27,225	13,828	(15,831)	40,040
% Growth		3.9%	3.6%	1.8%	-2.0%	5.2%
Total Employment	567,415	528,721	607,023	526,101	536,224	620,031
Net Growth		(38,694)	78,303	(80,923)	10,123	93,930
% Growth		-7%	15%	-13%	1.9%	17.5%
Jobs per Resident	0.78	0.70	0.78	0.66	0.69	0.74
Net Growth		(0.08)	0.08	(0.12)	0.03	0.08
% Growth		-10%	11%	-15%	4.0%	11.7%

(1) Population is from the Department of Finance E-5 Report

Note that DOF's estimate of population is higher than the City's estimate for 2000 and 2005.

Planning data for population at 2000 is 756,967.

Employment is from Moody's Economy.com data for San Francisco.

(2) Employment forecast is from Moody's Economy.com; population forecast is based on

adjustments to the Planning Department's forecast based on Moody's employment forecast, as prepared by Brion & Associates.

Sources: California Department of Finance E-5 Summary Report; Moody's Economy.com; Brion & Associates.

Exhibit 6
Projections Citywide by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study

I. Existing Data (1)

Land Use Type	2006	2006	2006
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025	2006-2025	2006-2025
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	350	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025	2025	2025
	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future Multi-Family units are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 7

**Projections Mission Bay by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
	2006	2006	2006
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *
II. Future Data (2)			
	2006-2025	2006-2025	2006-2025
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *
III. Total at 2025			
	2025	2025	2025
Land Use Type	Number of Residents/Employees	Residents Per Unit/Sqft per Employee	Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 8

**Projections Rincon Hill by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	<i>2,835</i>	<i>1.89</i>	<i>1,500</i> *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	350	33,346 *
<i>Subtotal</i>	<i>17,811</i>	<i>242</i>	<i>4,313,604</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	<i>4,810</i>	<i>1.55</i>	<i>3,100</i> *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	<i>1,172</i>	<i>240</i>	<i>281,610</i> *
III. Total at 2025 [5]			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	<i>7,645</i>	<i>1.66</i>	<i>4,600</i> *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	<i>18,983</i>	<i>242</i>	<i>4,595,214</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 9**Projections Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	<u>2,875</u>	<u>3.80</u>	<u>757</u> *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100</i> *
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	<u>636</u>	<u>350</u>	<u>222,679</u> *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	<u>658</u>	<u>4.80</u>	<u>137</u> *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276</i> *
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	<u>58</u>	<u>350</u>	<u>20,199</u> *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321</i> *
III. Total at 2025			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	<u>3,534</u>	<u>3.95</u>	<u>894</u> *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376</i> *
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	<u>694</u>	<u>350</u>	<u>242,878</u> *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 10

**Projections Citywide without Mission Bay, Rincon Hill, & Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.09</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,671	3.500	477 *
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	286,921	3.10	92,563 *
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.