

# 7 BEST PRACTICES

## Transit-Supportive Policies and Programs

SAN FRANCISCO

### WHAT IS IT?

The City of San Francisco has implemented a number of innovative transit-supportive policies and planning processes in recent years. These include:

- **The Transit Impact Development Fee**, a fee charged to non-residential developers in order to fund transit service necessary to offset the traffic impacts of their projects.
- **The Transit-First Policy**, which prioritizes transit and non-motorized modes in the development of city policies.
- **The Transit Effectiveness Project**, a comprehensive transit service audit and reorganization with a focus on identifying ways Muni, the city's transit system, can provide better service and value.
- **SFpark**, a pilot program to implement and assess the benefits of market-based pricing of on- and off-street parking. New parking meters and sensors will report parking occupancy data to city staff, allowing monthly adjustment of meter rates on each block to achieve an 85% occupancy target or at least one open space per block.

### WHY DO IT?

The Transit Impact Development Fee (TIDF) is a reliable source of operating and capital revenue for the San Francisco Municipal Transportation Agency (SFMTA), which operates San Francisco's entire



A recent, ongoing pilot that diverts cars from Market Street has resulted in increased transit speeds and levels of bicycling. Transit vehicles and bicycles have been gaining priority over automobiles on Market Street in recent years.

Source: Nelson\Nygaard

surface transportation network including the transit system, Muni. TIDF has generated about \$120 million (including interest) since 1981. Originally a \$5 per square foot fee on office developers in the downtown area, it was expanded in 2004 to encompass most non-residential projects citywide. Fees were also raised and indexed to inflation, and are now \$9.07 or \$11.34 per square foot depending on land use type.

The Transit-First Policy, in effect since 1973, was recently expanded to include bicyclists and pedestrians—serving a similar function to a Complete Streets policy (described in a separate Best Practices section) but with a greater emphasis on transit. The policy is routinely cited in planning and policy development processes and makes explicit the city's preference for investment in sustainable modes of transportation over improvements for automobiles.

The Transit Effectiveness Project (TEP) developed recommendations to significantly improve both the productivity and utility of the Muni transit system by reallocating resources to better meet demand. The changes made as a result of the TEP include consolidating service onto “rapid” corridors where protecting transit speeds and increasing reliability will be paramount.

The SFpark program is designed to manage the pricing of parking dynamically, adjusting rates to demand. The anticipated benefits are more efficient use of parking; fewer drivers “cruising” in search of an open parking spot, thereby reducing congestion and double-parking; and flexibility for drivers including real-time parking availability information, longer time limits and payment by credit card.

## HOW WELL DOES IT WORK?

### Transit Impact Development Fee (TIDF)

The TIDF<sup>1</sup> is a reliable, if relatively modest, source of revenue that takes advantage of the nexus between land-use development and demand for transit to justify an equitable “user fee.” In short, it recognizes that transit service adds significant value to development projects and recaptures at least part of that value. It also recognizes that auto traffic generated by new development has a significant negative impact on the speed and productivity of on-street transit services.

TIDF was originally conceived as a means of providing additional peak capacity for commuter-oriented service to the downtown commercial core. It was limited to office projects with a fee of \$5 per square foot. Early in its history, a legal challenge to TIDF was unsuccessful.

Recognizing that downtown office projects were not the only development projects to require and benefit from additional transit service, the city expanded the program in 2004 to include most non-residential projects citywide. Elected officials implemented a two-tiered system of fees, with some uses charged \$8 per square foot and some \$10 per square foot.

The gap between “justified” and actual fees is a reflection of the program’s key limitation: if developers were to pay the full cost of providing additional transit service to their projects, many projects would no longer be economically viable. Unlike most impact fees, administrative costs and outlays have exceeded collections in many years. However, the program maintains a positive balance due to interest earned on the TIDF fund. Finally, as TIDF is limited



The TIDF is one of several funding sources that San Francisco uses to fund transit capital improvements and operations.

Source: Nelson\Nygaard

to non-residential uses, collections decline during development cycles driven by residential projects.

Fees may be used to increase service hours or maintain the ratio between service hours and automobile and transit trips generated by uses subject to the fee, including both operating and capital expenses, as long as there is a reasonable connection to the impacts of development on transit. Expanding the fee beyond downtown office development to non-residential uses citywide allows it to be used for service outside of the peak period. Unlike other types of impact fees, there is no fixed time limit on use of fee receipts; however, the city conducts a five-year review, as required under state law<sup>2</sup>, that orders the city to issue “findings” about the program. These findings include certifying that unexpended funds do not exceed the amount needed to make the improvements for which the funds were exacted.

### Transit-First Policy

The Transit-First Policy<sup>3</sup> consists of 10 principles that seek to balance the “safe and efficient movement of

people and goods” with promoting and prioritizing travel by public transit (including taxis and vanpools), bicycling, and walking. The third of these principles can be viewed as a summary of the overall policy:

*Decisions regarding the use of limited public street and sidewalk space shall encourage the use of public rights-of-way by pedestrians, bicyclists, and public transit, and shall strive to reduce traffic and improve public health and safety.*

The efficacy of the Transit-First Policy has been a subject of much debate in San Francisco. Some view the policy as an empty statement; indeed, the policy has no legally enforceable “teeth.” Nonetheless, it is routinely cited by policy makers in justifying decisions to prioritize sustainable transport over automobiles, such as in plans, development reviews, and allocation of constrained right-of-way. The City used the policy as leverage for its proposal to eliminate analysis of vehicular level of service from environmental review of development impacts in favor of more sustainable design standards and performance measures. A senior transportation planner for the City noted that:

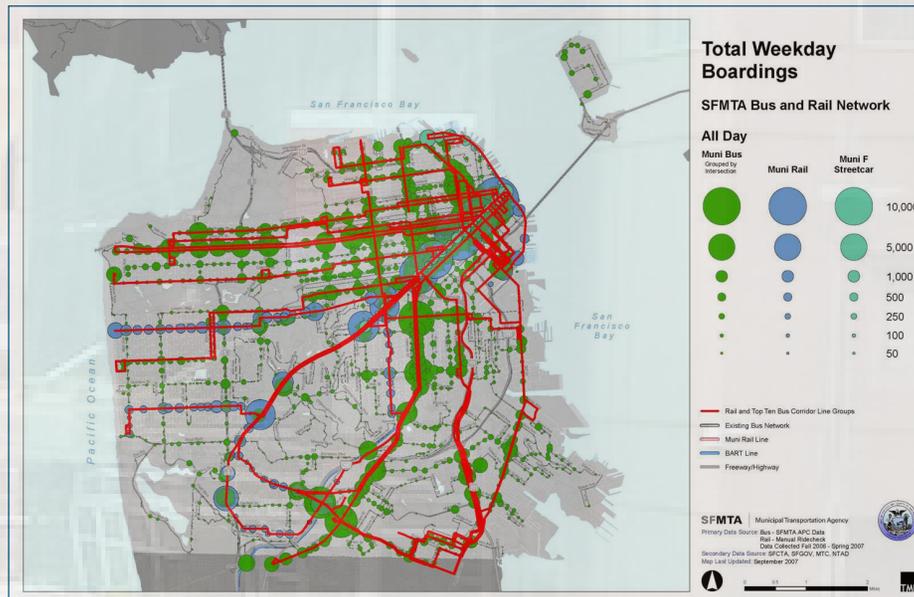
<sup>1</sup> TIDF: <http://www.municode.com/content/4201/14131/HTML/cho38.html>

<sup>2</sup> California Mitigation Fee Act, <http://ceres.ca.gov/planning/financing/chap4.html>

<sup>3</sup> Transit-First Policy: <http://www.sfmta.com/cms/bcomm/3179.html>

The Transit First policy of the City Charter recognizes that some short-term auto congestion is a predictable and unavoidable consequence of implementing Transit First policies, since mode shift will occur gradually as the transit, bicycle and pedestrian networks are improved. A measure of auto delay – auto LOS – is inconsistent with the Transit First policy for this reason.

Since Transit First was enacted, the City of San Francisco has implemented a strict cap on parking in downtown office developments; replaced two elevated freeways with at-grade boulevards; and decided to treat parking shortages as a “social” rather than an “environmental” impact in permitting construction of a one million-square-foot retail and office complex downtown with no new parking.



### Transit Effectiveness Project (TEP)

The TEP<sup>4</sup> was a two-year audit and redesign of Muni service that involved extensive data collection, outreach, best practices research and technical analysis. It was initiated in response to declining transit mode share in the city and costs increasing at a faster rate than revenue, driven in part by declining Muni operating speeds and reliability. The outcome was a set of recommendations, adopted by the SFMTA board, to deploy Muni resources more efficiently. The TEP recommended a dramatic reconfiguration of the route network, including eliminating underperforming or duplicative routes or segments; expanding service on the busiest, most productive routes; and making incremental capital investments to increase speed, reliability and productivity on key transit corridors.

It also grouped routes into categories based on performance characteristics such as headway rather

<sup>4</sup> Transit Effectiveness Project, <http://www.sfmta.com/cms/mtep/tepartabout.htm>



These maps, the results of the data-driven TEP process, helped stakeholders and the public understand issues facing the Muni system. The top graphic shows the key transit corridors that carry a high concentration of Muni ridership, as well as stops with high and low ridership (useful in determining where combining closely spaced stops may be warranted). The bottom graphic illustrates the corridors that could benefit from speed and reliability improvements.

than mode. “Rapid Network” routes, which make up less than 20% of the system but account for 75% of ridership, would be made at least 20% faster, allowing Muni to provide 20% more service to three-quarters of its riders at no extra cost.

Although the TEP resulted in improved reliability and implementation of some new routes and service improvements, it was criticized by some for its emphasis on productivity and a corresponding lack of concern for equity issues, in particular for its program of stop consolidation (combining closely spaced stops to improve operating speed and efficiency). Implementation has also been delayed by the current fiscal crisis. In fact, many TEP recommendations enacted to date have been service reductions; Muni planners drew on TEP proposals to reduce and eliminate service where such cuts would do the least harm. Muni is now moving forward with stop consolidation in key corridors to improve transit speed and reliability.

### **SFpark**

The SFpark pilot program, 80% funded by an Urban Partnership Program grant from the U.S. DOT, launched in the summer of 2010 and will continue for two years. The pilot includes 6,000 of San Francisco’s 25,000 metered on-street parking spaces and over 12,000 spaces in city-owned garages. The pilot phase of SFpark will run for two years starting summer 2010.