

TIDF and TSP FAQs

What is the Transit Impact Development Fee (TIDF)?

The Transit Impact Development Fee (TIDF) is the City's current fee to offset new development's impacts on the transit system. Because new development can generate congestion on the City's streets, TIDF aims to provide a funding source to improve Muni operations to mitigate against this impact.

The TIDF will no longer be collected once the Transportation Sustainability Program (TSP) is in place, likely in 2014.

What is the Transportation Sustainability Program (TSP)?

The TSP is a comprehensive reform to the environmental review process (known as "CEQA" – short for the California Environmental Quality Act) so that when we analyze new development's impacts on the transportation system, we are focused on its impacts to transit delay and transit crowding.

The TSP is a critical component of future transit funding for San Francisco. Everyone in San Francisco – residents, workers, visitors, users and providers of social services, and on and on – benefits from a functioning transportation system. If people cannot move around the City easily and affordably, the City simply doesn't work.

Today, a lot of new development pays no fee for transportation system improvements, which means those new development projects are putting an unfunded strain on the transportation system. TSP will fix that but will also confer benefits to development projects, including faster environmental review and fewer requirements for individual project-specific transportation analyses.

How will TSP replace TIDF?

TSP establishes a Transportation Sustainability Fee which will ensure all new developments pay their fair share of the burden on the transportation system. Money from the Transportation Sustainability Fee will pay for projects which improve the transportation system.

The methodology for TSP fees is still being developed. Until that methodology is developed and approved by the Board of Supervisors and the Mayor, TIDF will be the fee that helps mitigate against transit impacts.

Why should non-profits pay the TIDF?

The current non-profit exemption under the TIDF is incredibly broad. In addition to small non-profits such as clinics and social service providers, it includes large hospitals, universities, museums and private schools that are all technically non-profits. As a result, when a large hospital or a new university campus is built, the project may pay little or nothing in terms of transit impact fees, even though those projects have massive impacts on Muni and on traffic. That isn't fair, either to the transportation system or to those new development projects which do pay the fee.

Aren't non-profits typically exempted from all fees?

Non-profits must pay impact fees like most projects do to help fund city services such as libraries and schools. The current exemption from TIDF is one of the few exemptions from development impact fees that exist. Non-profit institutions, their employees and clients, use Muni and impact public transit use, and the fee under TIDF and TSP will help mitigate for this use.

How is TIDF calculated?

The fee is only calculated based on net new square footage.

For example, if a development turns a 20,000 square foot space into a 22,000 square foot space, TIDF applies only to the net new 2,000 square feet, not on the original 20,000 square feet.

Additionally, TIDF is calculated to charge a fee only on a more intense use of the site. For example, if a non-profit moves into a space that was previously a retail use, no fee is charged because retail use is a more intense use than office.

Who will pay TIDF under these changes?

Anyone who:

- Has a non-residential development over 5,000 square feet

AND

- Increases the net square footage of the current building by at least 800 square feet

AND

- Doesn't change the building use from a high-trip generating use (like retail) to a low-trip generating use (like industrial)

Who doesn't have to pay the full TIDF?

Anyone who:

- Is a *non-profit (proposed)* or small business with a development under 5,000 square feet

OR

- Is building affordable housing

OR

- Is building a residential project of 20 units or less

OR

- Doesn't increase the square footage of the current building

OR

- Doesn't build the maximum allowable parking spots

OR

- Changes the use from a high-trip generating use (like retail) to a low-trip generating use (like industrial)

Any one of the above factors will either exempt a project from TIDF or make them eligible for up to 100% in TIDF credits.

How will fees on non-profits be calculated under TIDF and how does that compare to TSP?

These changes to TIDF are part of a transition to the better policy practices that will come with the implantation of the TSP. In recognition that these TIDF changes may affect near-future development plans, all non-profits will be grandfathered in so they will not have to pay TIDF fees until 2014, when TSP is expected to be implemented.

The TSP only works as a mitigation tool under CEQA when everybody pays their fair share, so transportation impacts from all projects must be mitigated. This mitigation would be in the

form of better, more reliable Muni service. The benefits of the TSP tool for all projects include streamlining such as speedier environmental review and fewer requirements for costly transportation studies.

For more information on the TIDF and TSP programs, please refer to the PowerPoint presentation. You may request a pdf copy of this presentation by contacting the office of Supervisor Scott Wiener or by emailing Andres.Power@sfgov.org.