File	No.	11	07	07
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Committee Item No	o <u>. 67</u>
Board Item No	17

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Budget and Finance Committee	Date: <u>June 27</u> , <u>2011</u>
Board of Su	pervisors Meeting	Date 7/13/11
Cmte Boa	rd	
	Motion Resolution Ordinance Legislative Digest Budget & Legislative Analyst Report Ethics Form 126 Introduction Form (for hearings) Department/Agency Cover Letter and MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Award Letter Application	l/or Report
OTHER	(Use back side if additional space is	needed)
	by: Victor Young Date: by: Victor Young Date:	June 23, 2011

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

[Planning Code - Fee Update]

Ordinance amending the San Francisco Planning Code, Article 3.5 to: 1) increase fees based on the Controller's annual two-year average consumer price index (CPI) and place a cap on the intake fee amount for applications for Planning Commission and Zoning Administrator hearing applications, certificates of appropriateness, and building permit applications; and 2) adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

NOTE:

Additions are <u>single-underline italics Times New Roman</u>; deletions are <u>strike-through italics Times New Roman</u>. Board amendment additions are <u>double-underlined</u>; Board amendment deletions are <u>strikethrough normal</u>.

Be it ordained by the People of the City and County of San Francisco: Section 1. Findings.

- (a) The Planning Department is able to recover the cost of long range planning through its building permit review, CEQA (California Environmental Quality Act, California Public Resources Code Sections 21000 et seq.) review, and land use entitlement fees.
- (b) The current fee structure is set to recover a portion of long range planning cost through such fees, but the cost of long range planning, which includes historic preservation survey and designation work, is increasing beyond the annual cost of living adjustment.
- (c) It is in the public interest for the private project sponsor to reimburse the City for the benefit he or she derives as a consequence of public supported planning. This Board of Supervisors finds that this Ordinance is consistent with the General Plan and Priority Policies of Section 101.1(b) of the Planning Code for the reasons set forth in the Planning Commission Resolution No. 18361 and incorporates said Resolution herein by reference. A

1	copy of said resolution is on file with the Clerk of the Board of Supervisors in File No.
2	110707 Pursuant to Planning Code Section 302, this Board of Supervisors finds that
3	this Ordinance will serve the public necessity, convenience and welfare for the reasons set
4	forth in Planning Commission Resolution No and incorporates said
5	Resolution herein by reference. A copy of said resolution is on file with the Clerk of the Board
6	of Supervisors in File No. 110707
,· 7	(d) Environmental Finding. The Planning Department has determined that the
8	proposed fee adjustments are statutorily excluded from CEQA under the CEQA Guidelines
9	Section 15273(a), which exempts rates, tolls, fares and charges such as those proposed here
10	Said determination is on file with the Clerk of the Board of Supervisors in File No.
11	110707 and is incorporated herein by reference.
12	
13	Section 2. The San Francisco Planning Code is hereby amended by amending Section
14	350, to read as follows:
15	Sec. 350. FEES, GENERAL.
16	Fees shall be imposed in order to compensate the Planning Department for the cost of
17	processing applications and for the development and revision of land use controls. Fees shall
18	be charged and collected as indicated for each class of application, permit, filing request or
19	activity listed in Sections 351 through 358 below.
20	(a) Estimated construction costs are as defined by the San Francisco Building
21	Code.
22	(b) All fees are payable at time of filing application or request, except where noted
23	otherwise. However, the Director of Planning or his/her designee may authorize phased
24	collection of the fee for a project whose work is projected to span more than one fiscal year. A
7	nonrefundable processing fee of \$52 53 is required to set-up any installment payment plan for
- "	

all application fees. The balance of phased payments must be paid in full one week in advance of the first scheduled public hearing before the Planning Commission to consider the project or before issuance of the first site permit if no hearing is required.

- (c) Time and Materials. The Planning Department shall charge the applicant for any time and materials cost incurred in excess of the initial fee charged if required to recover the Department's costs for providing services.
- (1) The Department shall charge time and materials to recover the cost of correcting code violations and violations of Planning Commission and Department conditions of approval of use if such costs are not covered by the monitoring fee for conditions of approval specified in Section 351(e)(1).
- (2) Where a different limitation on time and material charges is set forth elsewhere in this Article, that limitation shall prevail.
- (3) The Planning Department may also charge for any time and material costs incurred by other departments or agencies of the City and County of San Francisco.
- (4) Any balance of time and materials costs for active and open projects must be paid in full one week in advance of a scheduled public hearing before the Planning Commission to consider the project or before issuance of the first site permit if no hearing is required.
- (d) Refunds. When an application is withdrawn by the applicant prior to a public hearing, or deemed canceled by the Planning Department due to inactivity on the part of the applicant, then the applicant shall be entitled to a refund of the fee paid to the Department less the time and materials expended minus a \$427_436 processing fee. Refund requests must be submitted within six months of the project closure date.
 - (e) Deferred or Reduced Fee.

- exempt from taxation under the Internal Revenue laws of the United States and the Revenue and Taxation Code of the State of California as a bona fide fraternal, charitable, benevolent or other nonprofit organization, or public entity that submits an application for the development of residential units all of which are affordable to low and moderate income households, as defined by the United States Housing and Urban Development Department, for a time period that is consistent with the policy of the Mayor's Office of Housing and the San Francisco Redevelopment Agency, may defer payment of the fees except those under 352(d) and 352(n) until (1) before final Planning Department approval of the building permit, preparatory to issuance of the building permit, before the building permit is released to the applicant, or (2) within one year of the date of action on the application, whichever comes first. This exemption shall apply notwithstanding the inclusion in the development of other nonprofit ancillary or accessory uses. Should the project be withdrawn prior to final Planning approval, the applicant shall pay time and material costs pursuant to Section 350(c).
 - (2) An exemption from paying the full fees specified under Section 352(d) and 352(n) may be granted when the requestor's income is not enough to pay for the fee without affecting their abilities to pay for the necessities of life, provided that the person seeking the exemption demonstrates to the Planning Director or his/her designee that they are substantially affected by the proposed project.
 - (f) Late Payment.
 - (1) Charges and Collection of Overdue Accounts. The Director or his/her designee shall call upon the Bureau of Delinquent Revenues or duly licensed collection agencies for assistance in collecting delinquent accounts more than 60 days in arrears, in which case any additional costs of collection may be added to the fee amount outstanding. If the Department

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23 25 seeks the assistance of a duly licensed collection agency, the approval procedures of Administrative Code Article 5, Section 10.39-1 et seq. will be applicable.

- Fee Adjustments. (g)
- (1)The Controller will annually adjust the fee amounts specified in Section 351(d), (e), (f), (g), (h), (i) and Section 352(b), (d), (e), (g), (i), (j), (k), (l), (m), and Section 353(a), (c), (d), and Section 355(a), (2), (3), (4), (5), (6), (7)(b), (c), (d), (e), and Section 356(c), (d), (e), and Section 357 and Section 358(a), (b), (c), (d) by the two-year average consumer price ndex (CPI) change for the San Francisco/San Jose Primary Metropolitan Statistical Area PMSA).

Section 3. The San Francisco Planning Code is hereby amended by amending Section \$51 to read as follows:

SEC. 351. - MISCELLANEOUS SERVICES.

- Agendas for Planning Commission: \$3738.00 annual subscription to cover costs (a) of mailing. The Planning Director or his/her designee may authorize exemptions in those nstances where costs would impose financial hardship.
- Agendas for Historic Preservation Commission: \$3738.00 annual subscription to dover costs of mailing. The Planning Director or his/her designee, may authorize exemption in those instances where costs would impose financial hardship.
- Document Retrieval: Files stored on-site actual costs for printing file(s), Files (c) stored off-site: - actual costs for retrieval, printing and return of files, as specified in a retrieval schedule prepared by Director of Planning, or his/her designee.
- Information, Analysis, Report Preparation and Presentation, Research Services, pata Requests: The costs of report preparation may be amortized by factoring full-cost recovery into the pricing of such information and reports: \$245250.00 as an initial fee.

- (e) Monitoring Projects:
- (1) Monitoring Conditions of Approval: Upon adoption of conditions of approval which the Zoning Administrator determines require active monitoring, the fee shall be \$\frac{1,1301,153}{2}.00\$ as an initial fee, plus time and materials as set forth in Section 350(c).
- (f) Project Review for Policy and Code Review and Interpretation for Prospective Projects for which an Application has not been Filed, and Site-Specific Design Guidelines and Code-Complying Massing Recommendations and Department facilitated pre-application meetings: \$368376.00 for new construction and modifications to 5 or fewer dwelling units and for affordable housing projects as defined in the Guidelines of the United States Housing and Urban Development Department, and \$871889.00 for all other projects and Department facilitated pre-application meetings.
- (g)(1) Project Notifications for an Individual Requesting Notification of Project Applications:
 - (A) First Address or First Assessor's Lot: \$3233.00 per annum.
- (B) Additional Addresses: \$13.00 for addresses in each new Assessor's Lot thereafter, per annum.
- (2) Project Notifications for a Neighborhood Organization, defined as (i) having been in existence for 24 months prior to the request, and (ii) is listed on the Planning Department's neighborhood organization notification list, requesting Notification of Project Applications:
 - (A) First Address or First Assessor's Block: \$323.00 per annum.
- (B) Additional Addresses: \$13.00 for addresses in each new Assessor's Block thereafter, per annum.
- (h) Zoning Administrator Written Determinations Pursuant to Section 307(a): \$\frac{122125}{25}.00\$ for zoning letters of conformance, \$\frac{552563}{25}.00\$ for other written determinations.

(i) Reactivating an application that the Zoning Administrator has deemed withdrawn due to inactivity and the passage of time, subject to the approval of the Zoning Administrator and within six months of the date the application was deemed withdrawn: \$232237.00

Section 4. The San Francisco Planning Code is hereby amended by amending Section 352 to read as follows:

SEC. 352. - COMMISSION AND ZONING ADMINISTRATOR HEARING APPLICATIONS.

(a) Conditional Use (Section 303), Planned Unit Development (Section 304). <u>The initial fee amount is not to exceed 50% of the construction cost.</u>

Estimated Construction Cost	Initial Fee		
No construction cost, excluding extension of	\$ <i>1,8001,837</i> .00		
hours			
No construction cost, extension of hours	1,286 <u>1,313</u> .00		
Wireless Telecommunications Services	\$ <i>4,500<u>4,593</u></i> .00		
(WTS)			
Estimated Construction Cost	Initial Fee		
\$1.00 to \$9,999.00	\$ 1,286 <u>1,313</u> .00		
\$10,000.00 to \$999,999.00	\$ <i>1,2861,313</i> .00 plus 0. <i>583595% of cost over</i>		
	\$10,000.00		
\$1,000,000.00 to \$4,999,999.00	\$7,1717,319.00 plus 0.695709% of cost over		
	\$1,000,000.00		
\$5,000,000.00 to \$9,999,999.00	\$ <i>35,537<u>36,273</u>.</i> 00 plus 0. <i>583<u>595</u>%</i> of cost		
	over \$5,000,000.00		

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\$10,000,000.00 to \$19,999,999.00	\$65,25766,608.00 plus 0.303309% of cost		
	over \$10,000,000.00		
\$20,000,000.00 or more	\$ <i>96,23098,222</i> .00		

(b) Variance (Section 305)

Variance fees are subject to additional time and material charges, as set forth in Section 350(c). *The initial fee amount is not to exceed 50% of the construction cost.*

Estimated Construction Cost	Initial Fee
\$0.00—\$9,999.00	\$ <u>817834</u> .00
\$10,000.00—\$19,999.00	\$ <i>1,821<u>1,859</u>.</i> 00
\$20,000.00 and greater	\$ 3,708 3,785.00

(c) Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications Commission Hearing Fee Schedule. *The initial fee amount is not to exceed*50% of the construction cost.

Estimated Construction Cost	Initial Fee
\$0.00 to \$9,999.00	\$ 256 <u>261</u> .00
\$10,000.00 to \$999,999.00	\$ 261 266.00 plus 0.417119% of cost over
	\$10,000.00
\$1,000,000.00 to \$4,999,999.00	\$ 1,442 1,472.00 plus 0. 139 142% of cost over
	\$1,000,000.00
\$5,000,000.00 to \$9,999,999.00	\$ 7,130 7,278.00 plus 0. 116 118% of cost over
	\$5,000,000.00
\$10,000,000.00 to \$19,999,999.00	\$ 13,050 13,320.00 plus 0.061062% of cost
	over \$10,000,000

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- Applications with Verified Violations of this Code: The Planning Department shall (1) charge \$204208.00 as an initial fee, plus time and materials as set forth in Section 350(c).
- Where an applicant requests two or more approvals involving a conditional use, (2)planned unit development, variance, Downtown (C-3) District Section 309 review, certificate of appropriateness, permit to alter a significant or contributory building both within and outside of Conservation Districts, or a coastal zone permit review, the amount of the second and each subsequent initial fees of lesser value shall be reduced to 50 percent.
- Minor project modifications requiring a public hearing to amend conditions of (3)approval of a previously authorized project, not requiring a substantial reevaluation of the prior authorization: \$*955975*.00.
- The applicant shall be charged for any time and materials beyond the initial fee in Section 352, as set forth in Section 350(c).
- An applicant proposing major revisions, as determined by the Zoning (5) Administrator, to a project application that has been inactive for more than six months and is assigned shall submit a new application. An applicant proposing major revisions to a project which has not been assigned and for which an application is on file with the Planning Department shall be charged time and materials to cover the full costs in excess of the initial fee paid.
- For agencies or departments of the City and County of San Francisco, the initial (6)fee for applications shall be based upon the construction cost as set forth above.
- Discretionary Review Request: \$500.00; provided, however, that the fee shall be (d) waived if the discretionary review request is filed by a neighborhood organization that: (1) has been in existence for 24 months prior to the filing date of the request, (2) is on the Planning

Department's neighborhood organization notification list, and (3) can demonstrate to the Planning Director or his/her designee that the organization is affected by the proposed project. Such fee shall be refunded to the individual or entity that requested discretionary review in the event the Planning Commission denies the Planning Department's approval or authorization upon which the discretionary review was requested. Mandatory discretionary reviews: \$3.4383,509.00.

- (e) Institutional Master Plan (Section 304.5).
- (1) Full Institutional Master Plan or Substantial Revision: \$\frac{12,259}{12,513}.00 plus time and materials if the cost exceeds the initial fee as set forth in Section 350(c).
- (2) Abbreviated Institutional Master Plan: \$2,2442,290.00 plus time and materials if the cost exceeds the initial fee as set forth in Section 350(c).
- (f) Land Use Amendments and Related Plans and Diagrams of the San Francisco General Plan: Fee based on the Department's estimated actual costs for time and materials required to review and implement the requested amendment, according to a budget prepared by the Director of Planning, in consultation with the sponsor of the request.
- (g) General Plan Referrals: \$3,3103,379.00 plus time and materials if the cost exceeds the initial fee as set forth in Section 350(c).
- (h) Redevelopment Plan Review: The Director of Planning shall prepare a budget to cover actual time and materials expected to be incurred, in consultation with the Redevelopment Agency. A sum equal to ½ the expected cost will be submitted to the Department, prior to the commencement of the review. The remainder of the costs will be due at the time the initial payment is depleted.
 - (i) Reclassify Property or Impose Interim Zoning Controls: \$7,0527,198.00
- (1) The applicant shall be charged for any time and materials as set forth in Section 350(c).

- (2) Applications with Verified Violations of this Code: The Planning Department shall charge time and materials as set forth in Section 350(c).
 - (j) Setback Line, Establish, Modify or Abolish: \$2,8512,910.00
- (k) Temporary Use Fees: \$409417.00 as an initial fee, plus time and materials if the cost exceeds the initial fee, as set forth in Section 350(c).
- (I) Amendments to Text of the Planning Code: \$14,09014,382.00 as an initial fee, plus time and materials if the cost exceeds the initial fee as set forth in Section 350(c).
- (m) Zoning Administrator Conversion Determinations Related to Service Station Conversions: \$2,7832,841.00 as an initial fee, plus time and materials if the cost exceeds the initial fee. (Section 228.4).
 - (n) Conditional Use Appeals to the Board of Supervisors:
- (1) \$500.00 for the appellant of a conditional used authorization decision to the Board of Supervisors; provided, however, that the fee shall be waived if the appeal is filed by a neighborhood organization that: (1) has been in existence for 24 months prior to the appeal filing date, (2) is on the Planning Department's neighborhood organization notification list, and (3) can demonstrate to the Planning Director or his/her designee that the organization is substantially affected by the proposed project.
- (2) Such fees shall be used to defray the cost of an appeal to the Planning Department. At the time of filing an appeal, the Clerk of the Board of Supervisors shall collect such fee and forward the fee amount to the Planning Department.
- Section 5. The San Francisco Planning Code is hereby amended by amending Section 353 to read as follows:
 - SEC. 353. DOWNTOWN APPLICATIONS.

- (a) Exception in C-3 District (Section 309): \$1,8151,853.00 as an initial fee, plus time and materials as set forth in section 350(c) for one or more exceptions to the Planning Code, which shall not be reduced per Section 352(c)(2).
- (b) Modifications in C-3 District, Determination of Need (Section 309): Same as Basic commission hearing fee schedule (Sections 352(c), 352(c)(1) et seq.).
- (c) Office Development Limitation Projects (Sections 320 through 323): \$4,8664,967.00 per application at initial intake plus time and materials as set forth in Section 350(c).
 - (d) Article 11 Designated Buildings:
- (1) Significant or Contributory Building, Designation or Change of Boundary: \$6,2776,407.00.
 - (2) Conservation District, Designation or Change of Boundary: \$6,2776,407.00
- (3) Permit to Alter a Significant or Contributory Building Within a Designated Conservation District, not Deemed Minor by the Zoning Administrator: \$8,2878,459.00 plus time and materials in excess of initial fee as set forth in Section 350(c).
- (4) Alteration of a Contributory Building Located Outside a Conservation District From Which No TDR Has Been Transferred and No Issuance of a Permit Pursuant to Sections 1111 through 1111.6: \$8,2878,459.00
- (5) Significant or Contributory Building Demolition in or outside of a Conservation District for which TDRs have been transferred: \$8,2878,459.00 This fee shall be in addition to any fee otherwise required for permits to alter or demolish. However, applications to demolish a Contributory Building located outside a Conservation District from which no TDR has been transferred or a Category V Building in a Conservation District from which no TDR has been transferred are subject only to the demolition fee contained in Section 355(b).
 - (6) Statement of Eligibility: \$1,4701,500.00.

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- Certificate of Transfer, Execution: \$424433.00. (7)
- Certification of Transfer of TDR, Notice of Use: \$1,3241,351.00. (8)

The San Francisco Planning Code is hereby amended by amending Section 6. Section 355 to read as follows:

SEC. 355. - PERMIT APPLICATIONS.

Building permit applications for a change in use or alteration of an existing building, to be collected by Central Permit Bureau; provided, however, that the fees charged for Planning Department approval over-the-counter for the replacement of windows, roofs, siding, and doors shall be reduced to ½ the fee set forth below. The Planning Department initial fee amount shall not to exceed 50% of the construction cost; notwithstanding the foregoing. applications for permit revisions are excluded from this limitation.

Initial Fee **Estimated Construction Cost**

\$<u>334327</u>.00 plus <u>3.414</u>3.345% of cost over \$10,000.00 to \$49,999.00 \$10,000.00

\$*326319.*00

\$<u>1,7251,690</u>.00 plus 2.<u>281</u>235% of cost over \$50,000.00 to \$99,999.00 \$50,000.00 plus \$8987.00 Discretionary

Review Surcharge and \$291285.00

Categorical Exemption Stamp Fee \$<u>2,8902,831.00</u> plus 2.<u>497</u>446% of cost over

\$100,000.00 plus \$8987.00 Discretionary

Review Surcharge and \$291285.00

Categorical Exemption Stamp Fee

\$100,000.00 to \$499,999.00

\$0.00 to \$9.999.00

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\$500,000.00 to \$999,999.00	\$ <u>13,068</u> 12,803 .00 plus 0. <u>631</u> 618 % of cost
	over \$500,000.00 plus \$ <u>89</u> 87.00
	Discretionary Review Surcharge and
	\$291285.00 Categorical Exemption Stamp
	Fee
\$1,000,000.00 to \$4,999,999.00	\$ <u>16,286</u> 15,956.00 plus 0. <u>248</u> 243% of cost
	over \$1,000,000.00 plus \$ <u>89</u> 87.00
	Discretionary Review Surcharge and
	\$291285.00 Categorical Exemption Stamp
	Fee
\$5,000,000.00 to \$99,999,999.00	\$ <u>26,392</u> 25,857 .00 plus .004% of cost over
	\$5,000,000.00 plus \$ <u>89</u> 87.00 Discretionary
	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee
\$100,000,000.00 or more	\$ <u>30,530</u> 29,911 .00 plus \$ <u>89</u> 87 .00
	Discretionary Review Surcharge and
	\$ <u>291</u> 285 .00 Categorical Exemption Stamp
	Fee

- (1) Application with Verified Violations of this Code: The Planning Department shall charge \$1,1531,130.00 as an inspection fee for monitoring code violation abatements.
- (2) Back-Check Fee for Permit Revisions: \$208204.00 for the initial fee, plus time and materials as set forth in Section 350(c), to be collected at time of permit issuance.

- (3) Shadow Impact Fee for New Construction or Alteration Exceeding 40 Feet in Height (Section 295): Additional \$477467.00 plus time and materials as set forth in Section 350(c).
- (4) Public Notification Fee for Projects Requiring Public Notice Pursuant to Section 311: \$4948.00, plus \$3.263.03 per envelope (subject to increase based on envelope and postage costs). The City's reprographics department will print and mail public notices.
- (5) Public Notification Fee for Projects Requiring Public Notice Pursuant to Section 312: \$4948.00, plus \$1.130.89 per envelope (subject to increase based on envelope and postage costs). The City's reprographics department will print and mail public notices.
- (6) For projects with a construction cost of \$100,000,000.00 or more, the applicant shall be charged the permit fee for a project with a \$100,000,000.00 construction cost.
- (7) Permits for solar panels and over-the-counter permits for solar equipment installation shall be \$140137.00 per permit.
- (b) Building Permit Applications for a New Building. <u>The Planning Department initial</u> fee amount is not to exceed 50% of the construction cost; notwithstanding the foregoing, applications for permit revisions are excluded from this limitation.

Estimated Construction Cost	Initial Fee
\$0 to \$99,999	\$ <u>1,887</u> 1,849.00, plus \$ <u>89</u> 87.00 Discretionary
φυ (U ψ33,000	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee
\$100,000.00 to \$499,999.00	\$ <u>1,888</u> 1,850.00, plus 2.446497% of cost over
φ100,000.00 to φ100,00	\$100,000.00 plus \$8987.00 Discretionary
	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee

\$500,000.00 to \$999,999.00	\$ <u>12,068</u> 11,823 .00 plus 0. 781 <u>797</u> % of cost
	over \$500,000.00 plus \$ <u>89</u> 87.00
	Discretionary Review Surcharge and
	\$291285.00 Categorical Exemption Stamp
	Fee
\$1,000,000 to \$4,999,999.00	\$ <u>16,130</u> 15,803 plus 0.300306% of cost ove
	\$1,000,000.00 plus \$8987.00 Discretiona
	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee
\$5,000,000.00 to \$99,999,999.00	\$28,63028,049.00 plus 0.005% of cost of
	\$5,000,000 plus \$8987.00 Discretionary
	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee
\$100,000,000.00 or more	\$ <u>33,804</u> 33,118.00 plus \$ <u>89</u> 87.00 Discretio
	Review Surcharge and \$291285.00
	Categorical Exemption Stamp Fee

- (1) Applications with Verified Violations of this Code: \$1,1531,130 as an inspection fee for monitoring code violation abatements.
- (c) Demolition Applications, to be collected by Central Permit Bureau: \$1,4711,441.00.
- (d) Fire, Police, Entertainment Commission, State Alcohol & Beverages Control and Health Department Permit Applications Referral Review: \$124121.00 initial fee collected by the other departments in conjunction with current fee collections, plus time and materials as set forth in Section 350(c).

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(e) Sign Permit Applications, to be collected by Central Permit Bureau: \$130127.00.

Section 7: The San Francisco Planning Code is hereby amended by amending Section 356 to read as follows:

SEC. 356. - PRESERVATION APPLICATIONS. (Article 10).

- (a) Landmark: \$267262.00.
- (b) Amendment, Rescission or Designation of Historical District: \$1,0691,047.00 plus time and materials in excess of initial fee as set forth in Section 350c. The Planning Director or his/her designee may waive time and material charges for the designation of a Historical District to encourage Citywide preservation activities.
- (c) Certificate of Appropriateness: \$314308.00 for applications with an estimated construction cost less than \$1,000.00; \$1,2521,227.00 for applications with an estimated construction less than \$20,000.00, \$5,7935,676.00 for applications with an estimated construction value \$20,000.00 and more, plus time and materials in excess of initial fee as set forth in Section 350(c). The initial fee amount is not to exceed 50% of the construction cost.
- (d) Determination that a Building is a Compatible Rehabilitation or a Compatible Replacement Building, Pursuant to Section 309 or 1109: Same as for Conditional Use (Section 352(a)).
- (e) Processing and Administering an Application for a Historical Properties Contract Under the California Mills Act, California Government Code Sections 50280-50290: \$\frac{18,31017,939}{200}.00\$ for commercial properties and \$\frac{9,1598,973}{200}.00\$ for residential properties.
- Section 8. The San Francisco Planning Code is hereby amended by amending Section 357 to read as follows:

SEC. 357. - TRANSPORTATION REVIEW ASSOCIATED WITH PROJECT APPLICATIONS.

- (a) Transportation Study \$21,75821,317.00 plus time and materials as set forth in Section 350(c). Extremely complex transportation studies will be charged a higher initial fee based on the specifics of the project which will be outlined in an Agreement between the Department and the project sponsor.
- (b) Municipal Transportation Agency review of transportation impact study: \$4,1854,100 per study.

Section 9. The San Francisco Planning Code is hereby amended by amending Section 358 to read as follows:

SEC. 358. - GENERAL ADVERTISING SIGNS FEES.

- (a) The fee for the relocation agreement application pursuant to Section 611 and Administrative Code Section 2.21 shall be \$\frac{1,2491,224}{2.24}.00 per individual relocation agreement application.
- (b) The fee for the initial inventory processing pursuant to Section 604.2 shall be \$699685.00 per sign structure.
- (c) The fee for an in-lieu application pursuant to Section 604.1 shall be \$399391.00 per sign structure.
- (d) The fee for annual inventory maintenance pursuant to Section 604.2 shall be \$226221.00.
- (e) Fee Review and Adjustment. Beginning with fiscal year 2007-2008, the fees established in this Section may be adjusted each year, without further action by the Board of Supervisors, to reflect changes in the relevant Consumer Price Index, as determined by the Controller. No later that April 15th of each year, the Director shall submit the Department's

current fees schedule to the Controller, who shall apply the price index adjustment to produce a new fee schedule for the following year. No later that May 15th of each year, the Controller shall file a report with the Board of Supervisors reporting the new fee schedule and certifying that: (a) the fees produce sufficient revenue to support the costs of providing the services for which the fee is charged and (b) the fees do not produce revenue that exceeds the costs of providing the services for which each permit fee is charged. Notwithstanding the procedures set forth in this Section, the Board of Supervisors, in its discretion, may modify the fees by ordinance at any time.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

Marlena G Byrne Deputy City Attorney

LEGISLATIVE DIGEST

[Planning Code—Fee Update]

Ordinance amending the San Francisco Planning Code to increase fees based on the Controller's annual two-year average consumer price index (CPI) and place a cap on the intake fee amount for applications for Planning Commission and Zoning Administrator hearing applications, certificates of appropriateness, and building permit applications; and adopting findings, including environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the priority policies of Planning Code Section 101.1.

Existing Law

The Planning Code currently includes fee provisions setting the fee amount for applications for various Planning Department, Planning Commission, Zoning Administrator, and Historic Preservation Commission approvals. There is currently no fee cap for certain types of applications.

Amendments to Current Law

The proposed legislation would amend various sections of the Planning Code to increase fees based on the Controller's annual two-year average consumer price index (CPI). The proposed legislation would also add a new cap on the intake fee amount for applications for Planning Commission and Zoning Administrator hearing applications, certificates of appropriateness, and building permit applications. This cap would ensure that the initial fee amount not exceed 50% of the estimated construction cost of the proposed project.

Executive Summary Planning Code Text Change

HEARING DATE: MAY 19, 2011

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fay:

415.558.6409

Planning Information: 415.558.6377

Project Name:

Amendments relating to Planning Code Article 3.5:

Planning Code Fee Changes.

Date:

May 19, 2011

Case Number:

2011.0412T

Initiated by:

Planning Department

Staff Contact:

Keith DeMartini, Finance Manager

Keith.DeMartini@sfgov.org, 415-575-9118

Reviewed by:

Thomas DiSanto, Chief Administrative Officer

Thomas.DiSanto@sfgov.org, 415-575-9113

Recommendation:

Recommend Approval as Proposed

PLANNING CODE AMENDMENT

This legislation amends Article 3.5 to: (1) place a cap on the initial fee amount at no more than 50% of the estimated construction cost of the project when applying for a Commission or Zoning Administrator Hearing Application (conditional use or variance, including Downtown Applications), certificate of appropriateness, or a building permit application and (2) adjust fees based on the Controller's annual two-year average consumer price index (CPI).

THE WAY IT IS NOW:

The Controller annually adjusts planning application fees, excluding appeal fees, by the two-year average consumer price index (CPI) for the San Francisco/San Jose Primary Metropolitan Statistical Area (PMSA).

<u>Conditional Use Applications (Planning Code, Section 352(a)</u>: The current initial fee for variance applications is based on construction costs as follows:

\$0 to \$9,999 – \$1,286

\$10,000 to \$999,999 - \$1,286 plus 0.583% of cost over \$10,000

\$1,000,000 to \$4,999,999 – \$7,171 plus 0.695% of cost over \$1,000,000

\$5,000,000 to \$9,999,999 – \$35,537 plus 0.583% of cost over \$5,000,000

\$10,000,000 to **\$19,999,999** – \$65,257 plus 0.303% of cost over \$10,000,000

\$20,000,000 or more - \$96,230

Executive Summary Hearing Date: May 19, 2011

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Commission and Variance Applications (Planning Code, Section 352(b)</u>: The current initial fee for variance applications is based on construction costs as follows:

\$0 to \$9,999 - \$842 (=\$817 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - \$1,846 (=\$1,821 + Board of Appeal Surcharge \$25)

\$20,000 or more - \$3,733 (=\$3,708 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330)</u>
<u>Applications (Planning Code, Section 352(c)</u>: The current initial fee for variance applications is based on construction costs as follows:

\$0 to \$9,999 - \$256

\$10,000 to \$999,999 – \$261 plus 0.117% of cost over \$10,000

\$1,000,000 to \$4,999,999 - \$1,442 plus 0.139% of cost over \$5,000,000

\$5,000,000 to \$9,999,999 – \$7,130 plus 0.116% of cost over \$10,000,000

\$10,000,000 to \$19,999,999 – \$13,050 plus 0.061% of cost over \$10,000,000

\$20,000,000 or more - \$19,268

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Certificate of Appropriateness (Planning Code, Section 356(c)</u>: The current initial fee for certificate of appropriateness applications is based on construction costs as follows:

\$0 to \$9,999 - \$333 (=\$308 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - \$1,252 (=\$1,227 + Board of Appeal Surcharge \$25)

\$20,000 or more - \$5,701 (=\$5,676 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Building Permit Applications (Planning Code, Section 355)</u>: The current initial fees for building permit applications is based on construction costs as follows:

Building Permit Applications for a Change in Use or Alteration of an Existing Building:

Executive Summary Hearing Date: May 19, 2011

\$0 to \$9,999 - \$319

\$10,000 to \$49,999 - \$327 + 3.345% over \$10,000

\$50,000 to \$99,999 - \$2,062 + 2.235% over \$50,000

\$100,000 to \$499,999 - \$3,203 + 2.446% over \$100,000

\$500,000 to \$999,999 - \$13,175 + 0.618% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,328 + 0.243% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$26,229 + 0.004% over \$5,000,000

\$100,000,000 or more - \$30,283

Building Permit Applications for New Construction:

\$0 to \$99,999 - \$2,221

\$100,000 to \$499,999 - \$2,222 + 2.446% over \$100,000

\$500,000 to \$999,999 - \$12,195 + 0.781% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,175 + 0.300% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$28,421 + 0.005% over \$5,000,000

\$100,000,000 or more - \$33,490

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

THE WAY IT WOULD BE:

A CPI increase of 2.07% will be applied to all fees except for appeal fees.

Conditional Use Applications (Planning Code, Section 352(a): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "The initial fee amount is not to exceed 50% of the construction cost." Projected Revenue Loss of \$3,335 (Projected Fiscal Year revenue reduction based on the projected average of the past three fiscal years if this proposed change was in effect on these projects. This revenue impact includes Conditional Use, Commission and Variance, Downtown (C-3) District Review and Coastal Zone Permit Applications, and Certificate of Appropriateness Applications).

<u>Commission and Variance Applications (Planning Code, Section 352(b)</u>: Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "The initial fee amount is not to exceed 50% of the construction cost." **Projected Revenue Loss of:** See Revenue Impact of Conditional Use Applications above.

Executive Summary Hearing Date: May 19, 2011

<u>Applications (Planning Code, Section 352(c)</u>: Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "The initial fee amount is not to exceed 50% of the construction cost." Projected Revenue Loss of: See Revenue Impact of Conditional Use Applications above.

<u>Certificate of Appropriateness (Planning Code, Section 356(c)</u>: Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "The initial fee amount is not to exceed 50% of the construction cost." **Projected Revenue Loss of:** See Revenue Impact of Conditional Use Applications above.

Building Permit Applications (Planning Code, Section 355): Retain the current fee structure based on construction cost, adjust fees based on the Controller's annual two-year average consumer price index (CPI), but include the following limitation: "The Planning Department initial fee amount is not to exceed 50% of the construction cost. Applications for permit revisions are excluded." Projected Revenue Loss of \$6,968 (Projected Fiscal Year revenue reduction based on the projected average of the past three fiscal years if this proposed change was in effect on these projects).

REQUIRED COMMISSION ACTION

The proposed ordinance is before the Commission so that it may recommend adoption, rejection, or adoption with modifications to the Board of Supervisors.

RECOMMENDATION

The Department recommends that the Commission adopt the Draft Resolution recommending the proposed Ordinance. The legislation would reduce the undue burden of large initial fees on small-scale projects or applications.

BASIS FOR RECOMMENDATION

For many small-scale construction projects where the estimated construction cost is less than \$7,500, the implementation of the existing rule has sometimes resulted in the initial fee amount being more than 50% of the estimated construction cost. Many applicants have expressed concern that the relatively high initial fee amount in relation to the construction cost has deterred applicants from following through on a project. The proposed change of limiting the initial fee to no more than 50% of the estimated construction cost does not represent a

Executive Summary Hearing Date: May 19, 2011

significant revenue impact compared to the department's overall revenue budget and will encourage applicants to follow through on these projects.

The table below is a summary of potential lost revenue and volume of applications and permits that would have been subject to the 50% limitation if the proposed change had been in place during the past three fiscal years.

Potential Lost Revenue & Volume Summary	FY08-09 Actual	FY09-10 Actual	FY10-11 Projection	3-Year Average
Planning Application Fees - Lost Revenue	\$2,410	\$1,325	\$6,271	\$3,335
Application Volume	5	5	7	6
DBI Permit Costs (Planning)	\$8,702	\$7,820	\$4,383	\$6,968
Permit Volume	63	49	29	47
Total Potential Lost Revenue	\$11,112	\$9,145	\$10,653	\$10,303

ENVIRONMENTAL REVIEW

The proposal to amend Article 3.5 of the Planning Code would result in no physical impacts on the environment. The proposed amendment is exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines.

PUBLIC COMMENT

As of the date of this report, the Planning Department has received no letters in support or opposition to the proposal from the public.

RECOMMENDATION: Approve

Attachments:

Exhibit A: Draft Planning Commission ResolutionExhibit B: Draft Board of Supervisors OrdinanceExhibit C: Historic Preservation Commission Motion

Exhibit D: Proposed Fee Schedule Exhibit E: Summary Presentation

Planning Commission Resolution No. 18361

HEARING DATE: MAY 19, 2011

1650 Mission St. Suite 400 San Francisco, CA 94103-2479

Reception: 415.558.6378

Fax:

415.558.6409

Planning Information: 415.558.6377

Project Name:

Amendments relating to Planning Code Article 3.5:

Fee Changes

Case Number:

2011.0412T

Initiated by:

Planning Department

Staff Contact:

Keith DeMartini, Finance Manager

Keith.DeMartini@sfgov.org, 415-575-9118

Reviewed by

Thomas DiSanto, Chief Administrative Officer

Thomas.DiSanto@sfgov.org, 415-575-9113

Recommendation

Recommend Approval

RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT A PROPOSED ORDINANCE THAT WOULD AMEND ARTICLE 3.5 TO: (1) PLACE A CAP ON THE INITIAL FEE AMOUNT AT NO MORE THAN 50% OF THE ESTIMATED CONSTRUCTION COST OF THE PROJECT WHEN APPLYING FOR A COMMISSION OR ZONING ADMINISTRATOR HEARING APPLICATION (CONDITIONAL USE OR VARIANCE, INCLUDING DOWNTOWN APPLICATIONS), CERTIFICATE OF APPROPRIATENESS, OR A BUILDING PERMIT APPLICATION, AND (2) ADJUST FEES BASED ON THE CONTROLLER'S ANNUAL TWO-YEAR AVERAGE CONSUMER PRICE INDEX (CPI), AND MAKES SECTION 302 AND ENVIRONMENTAL FINDINGS.

PREAMBLE

Whereas, for many small-scale construction projects where the estimated construction cost is less than \$7,500, the implementation of the existing rule has resulted in the initial fee amount being more than 50% of the estimated construction cost. Many applicants have expressed concern that the relatively high initial fee amount in relation to the construction cost has deterred applicants from following through on a project.

Whereas, the proposed change of limiting the initial fee at no more than 50% of the estimated construction cost does not represent a significant revenue impact compared to the department's overall revenue budget and will encourage applicants to follow through on these projects.

The Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 19, 2011.

The Planning Department (hereinafter "Department") has not received any letters or phone calls in support or in opposition to the proposed Ordinance.

Resolution No. 18361 Hearing Date: May 19, 2011

NOW THEREFORE BE IT RESOLVED that the Commission hereby recommends that the Board ADOPT the proposed Ordinance with the following planning code amendments:

Conditional Use Applications (Planning Code, Section 352(a): The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). "The initial fee amount is not to exceed 50% of the construction cost."

\$0 to \$9,999 - \$1,286 \$1,313

\$10,000 to \$999,999 – \$1,286 \$1,313 plus 0.583% 0.595% of cost over \$10,000 \$1,000,000 to \$4,999,999 – \$7,171 \$7,319 plus 0.695% 0.709% of cost over \$1,000,000 \$5,000,000 to \$9,999,999 – \$35,537 \$36,273 plus 0.583% 0.595% of cost over \$5,000,000 \$10,000,000 to \$19,999,999 – \$65,257 \$66,608 plus 0.303% 0.309% of cost over \$10,000,000 \$20,000,000 or more - \$96,230 \$98,222

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Commission and Variance Applications (Planning Code, Section 352(b): The current initial fee for variance applications depends on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). "The initial fee amount is not to exceed 50% of the construction cost."

\$0 to \$9,999 - \$842 \$859 (=\$817 \$834 + Board of Appeal Surcharge \$25) \$10,000 to \$19,999 - \$1,846 \$1,884 (=\$1,821 \$1,859 + Board of Appeal Surcharge \$25) \$20,000 or more - \$3,733 \$3,810 (=\$3,708 \$3,785 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Downtown (C-3) District Review (Section 309) and Coastal Zone Permit (Section 330) Applications (Planning Code, Section 352(c)</u>: The current initial fee for variance applications is based on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). "The initial fee amount is not to exceed 50% of the construction cost."

\$0 to \$9,999 - \$256 <u>\$261</u>

\$10,000 to \$999,999 – \$261 \$266 plus 0.117% 0.119% of cost over \$10,000 \$1,000,000 to \$4,999,999 – \$1,442 \$1,472 plus 0.139% 0.142% of cost over \$5,000,000 \$5,000,000 to \$9,999,999 – \$7,130 \$7,278 plus 0.116% 0.118% of cost over \$10,000,000 \$10,000,000 to \$19,999,999 – \$13,050 \$13,320 plus 0.061% 0.062% of cost over \$10,000,000 \$20,000,000 or more - \$19,268 \$19,667

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

Certificate of Appropriateness (Planning Code, Section 356(c): The current initial fee for certificate of appropriateness applications depends on construction costs. The fees will be adjusted based on the

Controller's annual two-year average consumer price index (CPI). "The initial fee amount is not to exceed 50% of the construction cost."

\$0 to \$9,999 - \$333 \$339 (=\$308 \$314 + Board of Appeal Surcharge \$25)

\$10,000 to \$19,999 - \$1,252 \$1,277 (=\$1,227 \$1,252 + Board of Appeal Surcharge \$25)

\$20,000 or more - \$5,701 \$5,818 (=\$5,676 \$5,793 + Board of Appeal Surcharge \$25)

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

<u>Building Permit Applications (Planning Code, Section 355)</u>: The current initial fees for building permit applications depend on construction costs. The fees will be adjusted based on the Controller's annual two-year average consumer price index (CPI). "<u>The Planning Department initial fee amount is not to exceed 50% of the construction cost. Applications for permit revisions are excluded.</u>"

Building Permit Applications for a Change in Use or Alteration of an Existing Building:

\$0 to \$9,999 - \$319 \$326

\$10,000 to \$49,999 - \$327 \$334 + 3.345% \$3.414% over \$10,000

\$50,000 to \$99,999 - \$2,062 \$2,105 + 2.235% 2.281% over \$50,000

\$100,000 to \$499,999 - \$3,203 \$3,270 + 2.446% 2.497% over \$100,000

\$500,000 to \$999,999 - \$13,175 \$13,448 + 0.618% 0.631% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,328 \$16,666 + 0.243% 0.248% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$26,229 \$26,772 + 0.004% over \$5,000,000

\$100,000,000 or more - \$30,283 \$30,910

Building Permit Applications for New Construction:

\$0 to \$99,999 - \$2,221 \$2,267

\$100,000 to \$499,999 - \$2,222 \$2,268 + 2.446% 2.497% over \$100,000

\$500,000 to \$999,999 - \$12,195 \$12,448 + 0.781% 0.797% over \$500,000

\$1,000,000 to \$4,999,999 - \$16,175 \$16,510 + 0.300% 0.306% over \$1,000,000

\$5,000,000 to \$99,999,999 - \$28,421 <u>\$29,010</u> + 0.005% over \$5,000,000

\$100,000,000 or more - \$33,490 <u>\$34,184</u>

All applications will be subject to time and materials billing if the cost of reviewing the application exceeds the initial fee charged.

ENVIRONMENTAL REVIEW

The proposal to amend Article 3.5 of the Planning Code would result in no physical impacts on the environment. The proposed amendment is exempt from environmental review under Section 15273(a) of the CEQA Guidelines.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on May 19, 2011.

Resolution No. 18361 Hearing Date: May 19, 2011 CASE NO. 2011.0412T Planning Code Fee Changes

Linda Avery

Commission Secretary

AYES:

Christina Olague, Ron Miguel, Gwyneth Borden, Rodney Fong, Kathrin Moore and Bill

Sugaya

NAYS: None

ABSENT:

Michael Antonini

ADOPTED:

May 19, 2011



Fw: cpi Thomas DiSanto to: Victor Young

Thomas DiSanto Chief Administrative Officer Planning Department, City and County of San Francisco 1650 Mission Street, Suite 400 San Francisco, CA 94103 (415) 575-9113 ---- Forwarded by Thomas DiSanto/CTYPLN/SFGOV on 06/07/2011 11:06 AM ----

From: To:

Michelle Allersma/CON/SFGOV Thomas DiSanto/CTYPLN/SFGOV@SFGOV

Date:

04/27/2011 10:23 AM

Subject:

cpi

Year	- Dec	CON Calculated Rate	For FY	CRI Used by Depts	
1999	0// 1/74\5		FY 00-01		
2000	718416	5.50%	FY 01-02		
2001	34 J90 6	3.53%	FY 02-03		
2002	\$ 193.2	1.36%	FY 03-04		
2003	7 3 1953	1.09%	FY 04-05	1.70%	
2004	1,4199.5	2.15%	FY 05-06	1.50%	
2005	2034	1.95%	FY 06-07	1.60%	
2006	210.4	3.44%	FY 07-08	3.44%	2.52%
2007	218:5	3.84%	FY 08-09	3,84%	3.64%
2008	7 21835	0.02%	FY 09-10	0.02%	1.93%
2009	7 224.2	2.61%	FY 10-11	2 61%	1.32%
2010	227:7	1.52%	FY 11-12	(1.52%)	(2.07%)

Michelle Allersma **Budget and Analysis Division** Controller's Office City & County of San Francisco 415.554.4792